

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

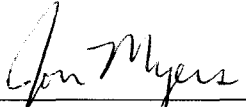
Before Commissioners: Jay Scott Emler, Chairman  
Shari Feist Albrecht  
Pat Apple

In the matter of a Compliance Agreement        )  
between Entranco Energy, LLC and                )  
Commission Staff regarding bringing 21        )  
wells into compliance with K.A.R. 82-3-111.    )  
\_\_\_\_\_) License No.: 35018

**MOTION FOR THE COMMISSION TO ADOPT**  
**A COMPLIANCE AGREEMENT**

Commission Staff moves for the Commission to adopt and approve the attached  
Compliance Agreement, which has been signed by both parties. Staff believes the Compliance  
Agreement represents an appropriate manner of resolving the issues described therein.

Respectfully submitted,

  
\_\_\_\_\_  
Jonathan R. Myers, #25975  
Litigation Counsel  
Kansas Corporation Commission  
266 N. Main, Suite 220  
Wichita, Kansas 67202  
Phone: 316-337-6200; Fax: 316-337-6211

## COMPLIANCE AGREEMENT

This Agreement is between Entranco Energy, LLC ("Operator") (License #35018) and Commission Staff ("Staff"). If the Commission does not approve this Agreement by a signed order, this Agreement shall not be binding on either party.

### A. Background

1. Operator is responsible for the 21 wells ("the subject wells") on the attached list. All of the wells are out of compliance with K.A.R. 82-3-111. Operator has asked for an agreement to avoid penalties while Operator works to plug the wells, return them to service, or obtain temporary abandonment status for them. Staff is supportive of an agreement.

### B. Terms of Compliance Agreement

2. By October 31, 2016, Operator shall plug, return to service, or obtain temporary abandonment status for 2 of the subject wells. Operator shall plug, return to service, or obtain temporary abandonment status for an additional 2 subject wells within each three calendar months thereafter, resulting in the final well being returned to compliance by April 30, 2019.

3. If Operator fails to comply with any deadline described in Paragraph 2, then Operator shall be assessed a \$1,000 penalty for each missed deadline. If any of the subject wells are not in compliance with K.A.R. 82-3-111 by being plugged, returned to service, or having temporary abandonment status, by July 31, 2019, then Operator shall be assessed an additional \$2,500 penalty, and Staff may plug the wells and assess the costs to Operator.

4. If Operator fails to comply with any of the above paragraphs, or if penalties or costs are owed, then Staff shall suspend Operator's license until compliance is obtained and the penalties or costs are paid. If Staff suspends Operator's license, then Staff shall send its standard notice of license suspension letter to Operator. If Staff finds Operator conducting oil and gas operations after 10 days from the date of a notice of license suspension letter, and Operator's license is still suspended, then Staff is authorized to seal all of Operator's oil and gas operations and to assess an additional \$5,000 penalty.

5. Operator agrees to waive its right to appeal any future orders of the Commission regarding this matter, any penalties or costs assessed under this Agreement, and any suspension of Operator's license implemented by Staff due to Operator's failure to comply with this

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Agreement. The terms of this Agreement shall remain binding upon Operator even if its interests in the subject wells are conveyed.

6. Except as described by this Agreement, Staff will not pursue Operator for any violation of K.A.R. 82-3-111 at the subject wells that occurred or occurs prior to July 31, 2019, except for wells brought into compliance after Commission approval of this Agreement that again fall out of compliance.

7. If Staff discovers additional wells, not listed on Operator's well inventory, on leases where wells subject to this Agreement are currently located, then at its discretion, Staff may add the additional wells to this Agreement. If Staff does so, Staff must file a statement to that effect in the Commission docket that will be created for this matter, also stating that Operator is not opposed to the addition of the wells. The addition of wells will not change the number of wells to be brought into compliance each calendar quarter, but may extend the final compliance deadline.

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 7/21/16

Entranco Energy, LLC

By: Jason S. Foster

Printed Name: Jason S. Foster

Title: C. D. D.

Date: 7-18-16

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# Entransco Energy, LLC

## License: 35018

### List of Wells

API WELL #	Well Name	Spot	Sec	Twp	N/S	Rng	W/E	County
15-001-29156-00-00	BAUER C3-16	N2NWSE	16	26 S		20 E		ALLEN
15-019-26791-00-00	CAIN 13-B1	SWNENENW	13	32 S		11 E		CHAUTAUQUA
15-019-26683-00-00	HOLYROD 12-15	NENWNWSW	15	35 S		9 E		CHAUTAUQUA
15-019-26651-00-00	HOUSE 3-25	NESWNENW	25	34 S		9 E		CHAUTAUQUA
15-019-26668-00-00	HOUSE 3-26	NESWNENW	26	34 S		9 E		CHAUTAUQUA
15-019-26667-00-00	HOUSE 3-29	SWNENENW	29	34 S		9 E		CHAUTAUQUA
15-019-26816-00-00	HUDSON AB 10-C1	SENWNWNE	10	32 S		11 E		CHAUTAUQUA
15-073-24029-00-00	HUNTINGTON 12-22	NWSW	22	26 S		10 E		GREENWOOD
15-073-24030-00-00	HUNTINGTON 16-20	NWNESESE	20	26 S		10 E		GREENWOOD
15-019-26758-00-00	JACOT PAUL1 10-A1	SENENWNW	10	32 S		10 E		CHAUTAUQUA
15-099-24419-00-00	JOHNSON ET AL 8-9	SENE	9	33 S		18 E		LABETTE
15-019-26774-00-00	KEMPTON 19-A4	NESWSWSW	19	32 S		11 E		CHAUTAUQUA
15-019-26790-00-00	KEMPTON C 21-D4	SENWSESE	21	32 S		10 E		CHAUTAUQUA
15-019-25155-00-00	LEMERT 1	NENWNENW	8	35 S		9 E		CHAUTAUQUA
15-001-29178-00-00	LUDLUM D1-8	S2SW	8	26 S		20 E		ALLEN
15-019-26789-00-00	MALONE 7-C1	SENENWNE	7	32 S		10 E		CHAUTAUQUA
15-019-26665-00-00	MASSEY 11-18	SWNENESW	18	34 S		9 E		CHAUTAUQUA
15-019-26095-00-00	MCKENZIE 1	SWNWSE	5	35 S		9 E		CHAUTAUQUA
15-019-26094-00-00	NOAH 1	NWSENESE	5	35 S		9 E		CHAUTAUQUA
15-019-26817-00-00	SEARS 19 15-C4	NENESWSE	15	32 S		11 E		CHAUTAUQUA
15-019-26809-00-00	WALKER 6-B2	SESWSENW	5	32 S		10 E		CHAUTAUQUA

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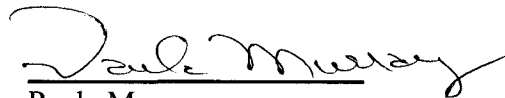
**CERTIFICATE OF SERVICE**

I certify that on 7/21/16, I caused a complete and accurate copy of this Motion to be served via United States mail, with the postage prepaid and properly addressed to the following:

Jason Foster  
Entranco Energy, LLC  
P.O. Box 578  
Dewey, Oklahoma 74029

And delivered by email to:

John Almond  
KCC District #3

A handwritten signature in cursive script, reading "Paula Murray", written over a horizontal line.

Paula Murray  
Legal Assistant  
Kansas Corporation Commission