

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

2015-11-04 08:43:49  
Kansas Corporation Commission  
/s/ Amy L. Green

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

In the matter of the failure of Hummon	)	Docket No.: 15-CONS-940-CPEN
Corporation ("Operator") to comply with	)	
K.A.R. 82-3-111 at the Elizabeth #1-6 and Platt	)	CONSERVATION DIVISION
#1-29 wells in Barber County, Kansas.	)	
<hr/>		) License No.: 5050

**ORDER APPROVING SETTLEMENT AGREEMENT**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas. Having examined the files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

1.        The Staff of the Kansas Corporation Commission and the captioned operator have executed a settlement agreement, which is attached to and incorporated into this Order.
2.        The Commission finds and concludes that the settlement agreement provides a fair and efficient resolution of the issues in this docket.

**THEREFORE, THE COMMISSION ORDERS:**

- A.        The attached Settlement Agreement is approved and incorporated into this Order.
- B.        Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita, Kansas 67202. Pursuant to K.S.A. 55-606 and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action permitted by this summary


proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: NOV 3 2015



Amy L. Green  
Secretary to the Commission

Mailed Date: Nov. 3, 2015

LRP

## SETTLEMENT AGREEMENT

This Settlement Agreement is between Hummon Corporation ("Operator") (License #5050) and the Staff of the Corporation Commission of the State of Kansas ("Staff"). If the Commission does not approve this Settlement Agreement by a signed Order, then this Settlement Agreement shall not be binding on either party. This Settlement Agreement shall settle the proceedings in Commission Docket Number 15-CONS-940-CPEN.

### A. Background

1. On June 23, 2015, the Commission issued a Penalty Order in this docket, requiring Operator to pay \$200 for two violations of K.A.R. 82-3-111 at the Elizabeth #1-6 and Platt #1-29 ("the subject wells"). The Commission also directed Operator to plug the subject wells, return them to service, or to obtain temporary abandonment approval for them, within 30 days. Operator has paid the \$200 penalty and filed a timely appeal.

2. Operator admits to its violations of K.A.R. 82-3-111. Operator intends to return one of the wells to production and to file a 10-year TA application for the other, but requests more time to do so. Staff finds the request to be acceptable.

### B. Terms of Settlement

3. Operator shall return the subject wells to service, plug them, or file 10-year TA applications for them, by November 13, 2015. If Operator fails to comply with this deadline, then Staff is directed to assess an additional \$2,500 penalty.

4. If Operator fails to comply with the deadline in Paragraph 3, then Staff shall suspend Operator's license until compliance is obtained and any additional penalty or penalties 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 is directed to assess an additional \$10,000 penalty. Operator agrees to waive its right to appeal any suspension of Operator's license implemented by Staff, or any additional penalty assessed, due to Operator's failure to comply with this Settlement Agreement.

5. Operator hereby withdraws its appeal of the Penalty Order in this docket.

C. Conclusion

Both parties believe that this Settlement Agreement represents a fair and appropriate resolution to the matters in this docket.

This Settlement Agreement has been agreed to by the undersigned:

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 10/23/15

Hummon Corporation

By: Byron E. Hummon, Jr.

Printed Name: BYRON E. HUMMON, JR.

Title: OWNER

Date: 10-22-15

**CERTIFICATE OF SERVICE**

I certify that on 11/3/15, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

Thomas M. Rhoads  
Glaves Irby and Rhoads  
1050 Market Centre  
155 N Market  
Wichita, Ks 67202  
*Attorney for Hummon Corporation*

Byron E. Hummon, Jr.  
Hummon Corporation  
PO Box 365  
Medicine Lodge, KS 67104

Steve Pfeifer  
KCC District #1  
210 E. Frontview, Suite A  
Dodge City, Kansas 67801

and hand-delivered to:

Jonathan R. Myers  
KCC Central Office

/s/ Paula J. Murray  
Paula J. Murray  
Legal Assistant  
Kansas Corporation Commission