

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

In the matter of the failure of Mark L. Haas ) Docket No.: 25-CONS-3087-CPEN  
(Operator) to comply with K.A.R. 82-3-120. )  
) CONSERVATION DIVISION  
)  
\_\_\_\_\_) License No.: 5935

**MOTION TO APPROVE SETTLEMENT AGREEMENT**

Staff of the Kansas Corporation Commission (Staff and Commission, respectively) hereby files this Motion to Approve Settlement Agreement. In support of its Motion, Staff states as follows:

1. On September 10, 2024, the Commission issued a Penalty Order against Operator in the captioned docket for one violation of K.A.R. 82-3-120 for continuing to have unplugged wells remaining on its expired license. The Commission's Order assessed a \$500 fine and directed Operator to renew its license or obtain a new license, transfer the unplugged wells to another operator, or plug the wells. If unplugged wells remained on Operator's license after 60 days from the date of the Order, then the Commission directed Operator to pay an additional \$5,000 fine, Staff to revoke any injection authorizations applicable to Operator, and Staff to place wells on the appropriate state plugging list.

2. On September 20, 2024, Operator filed a request for hearing regarding the Commission's Order, disputing Operator committed any violation of Commission regulations as alleged in the penalty order.

3. Staff and Operator discussed resolution of the underlying issues in this docket, and reached a settlement in this matter. The Settlement Agreement (Agreement) has been reduced to writing and is attached hereto as **Attachment A**. The Agreement directs Staff to assess an

additional \$5,000 penalty, revoke any injection authorizations applicable to Operator, and place the wells at issue on the appropriate state plugging list, to plug according to priority and as funds allow. Staff shall assess the reasonable cost and expense of plugging the wells to Operator.

WHEREFORE, Staff respectfully requests the Commission grant this motion, thereby approving the Settlement Agreement attached hereto as Attachment A.

Respectfully Submitted,

/s/ Kelcey Marsh

Kelcey Marsh, #28300

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**SETTLEMENT AGREEMENT**

This Settlement Agreement (Agreement) is entered into by and between the Staff of the Kansas Corporation Commission (Staff and Commission, respectively) and Operator (collectively referred to herein as the Parties). The effective date of this Agreement shall be the date the Commission enters an order approving or amending the terms of the Agreement.

**I. BACKGROUND**

1. On September 10, 2024, the Commission issued a Penalty Order against Operator in the captioned matter for one violation K.A.R. 82-3-120 for continuing to have unplugged wells remaining on an expired license. The Penalty Order assessed a \$500 fine and directed Operator to renew its license or obtain a new license, transfer the unplugged wells to another operator, or plug the wells. If unplugged wells remained on Operator's license after 60 days from the date of the Penalty Order, then the Commission directed Operator to pay an additional \$5,000 fine, Staff to revoke any injection authorizations applicable to Operator, and Staff to place the wells on the appropriate state plugging list.

2. On September 20, 2024, Operator filed a Request for Hearing regarding the Penalty Order in the captioned docket. Thereafter, the Commission issued an Order Designating Presiding Officer and Setting Prehearing Conference and a procedural schedule was set.

3. Between December 6, 2024, and January 3, 2025, direct and rebuttal testimony was filed by the Parties. On February 4, 2025, the Commission issued an Order that expanded the scope of the proceeding to include (1) whether Operator is legally responsible for the proper care and control of the wells at issue pursuant to K.S.A. 55-179, and (2) what Operator's obligations should be if Operator is responsible under that statute.<sup>1</sup> On March 7, 2025, Commission Staff submitted supplemental testimony pursuant to the Presiding Officer's Order Establishing Schedule for Supplementary Testimony.

4. Subsequent to Staff filing its supplemental testimony in this matter, the Parties discussed resolution of the underlying issues in this docket and reached a settlement in this matter. As part of the settlement, Staff agreed to reduce the terms to writing and submit the same for Commission approval. The terms of the settlement are set forth below.

## **II. TERMS OF THE SETTLEMENT AGREEMENT**

5. The Parties agree that the Commission has jurisdiction and authority over this matter. The Parties also agree that adoption of this Agreement is in the public interest and that the Commission should approve the terms as set forth below.

6. Operator stipulates that it committed one violation of K.A.R. 82-3-120 in the captioned docket and that Operator is legally responsible for plugging the wells at issue in this docket pursuant to K.S.A. 55-179.

7. Upon the effective date of this Agreement the order in the captioned docket shall become a Final Order. Staff is directed to assess an additional \$5,000 penalty, to revoke any injection authorizations applicable to Operator, and to place the wells at issue on the appropriate

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<sup>1</sup> Order, p. 1 (Feb. 4, 2025).

**ATTACHMENT A**

state plugging list, to plug according to priority and as funds allow. Additionally, Staff shall assess the reasonable cost and expense of plugging the wells to Operator.

8. Operator's responsibility as it pertains to the wells at issue shall be limited to the assessment of the reasonable cost and expense incurred in plugging the wells pursuant to K.S.A. 55-180(d).

9. Operator agrees to waive its right to appeal the Commission's Order approving this Agreement, and any penalties assessed under this Agreement.

**IN WITNESS WHERETO**, the Parties hereby execute and approve this Settlement Agreement by subscribing their signatures below.

Commission Staff

By: Kelcey Marsh

Printed Name: Kelcey Marsh

Title: Litigation Counsel

Date: 4/11/25

Mark L. Haas

By: [Signature]

Printed Name: MARK L. HAAS

Title: Owner

Date: 4-10-25

## **CERTIFICATE OF SERVICE**

25-CONS-3087-CPEN

I, the undersigned, certify that a true and correct copy of the attached motion has been served to the following by means of electronic service on April 15, 2025.

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/s/ Nancy D. Borst

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