

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

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

In the matter of a settlement agreement) Docket No.: 15-CONS-763-CMSC
between the Staff of the Kansas Corporation)
Commission and LED Enterprises, LLC.) CONSERVATION DIVISION
)
) License No.: 32843
_____)

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 each executed a settlement agreement, which is attached to and incorporated into this Order.
2. The settlement agreement provides a schedule for the operator to return several inactive wells to a compliant status. Wells with high fluid levels are addressed first, because these wells could present a pollution risk. The schedule was agreed based on the resources available to the operator to obtain compliance.
3. The Commission finds and concludes that the settlement agreement provides a fair and efficient resolution to 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.

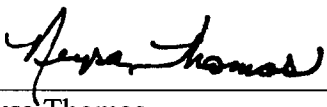
The petition shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita, Kansas 67202. Pursuant to K.S.A. 55-606 and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action permitted by this summary proceeding before the deadline 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: MAR 17 2015



Neysa Thomas
Acting Secretary

Mailed Date: March 17, 2015

LRP

SETTLEMENT AGREEMENT

The Staff of the Kansas Corporation Commission and LED Enterprises LLC ("Operator") agree as follows:

1. Operator is responsible for the following wells, which are not eligible for temporary abandonment status for the corresponding reasons:

<u>Well Name and Number</u>	<u>API Number</u>	<u>Regulatory Status</u>
Bird #4	1501521224	High Fluid Level
Mabry #A-3	1501523383	High Fluid Level
Marion C Helberg #1	1501520404	High Fluid Level
Parks A #6	1501523000	High Fluid Level
Fowler #3	1501522224	10-Year TA
Fowler #3-A	1501530117	10-Year TA
Fowler #4	1501522406	10-Year TA
Freeman #1	1501523300	10-Year TA
Mabry B #3	1501522783	10-Year TA
Parks #2-A	1501521137	10-Year TA
Sigman #3	1501540342	10-Year TA
Sigman #3-A	1501519279	10-Year TA
Sigman #4 A	1501501024	10-Year TA
Sigman A #6	1501521406	10-Year TA
Sigman A #7	1501522780	10-Year TA

2. Staff and the Operator agree that the schedule set out in this Settlement Agreement will provide for the efficient resolution of these wells' inactive status.

3. Operator shall address the subject wells by plugging them, returning them to service, or obtaining temporary abandonment status after demonstrating casing integrity. Temporary abandonment status under K.A.R. 82-3-111 shall not be an option unless the well passes a casing integrity test at 300 psig for 30 minutes. The sale of the lease or filing of well transfer forms shall not excuse compliance with this agreement.

4. The wells shall be addressed at a rate of one well every two calendar months. The first deadline shall be the end of April 2015. Operator shall determine the order in which the subject wells will be addressed, except that all of the wells with high fluid levels shall be addressed before any well that does not have a high fluid level.

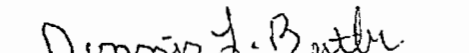
5. The failure to comply with any compliance deadline in this Settlement Agreement shall constitute a violation of the Commission Order incorporating this agreement and shall subject Operator to immediate license suspension and the shutting-in and sealing of all operations until compliance with this agreement has been reestablished. License suspension and the shutting-in and sealing of operations shall be at Staff's sole discretion and shall take effect immediately upon notice. Operator waives the right to appeal license suspension, any penalty issued pursuant to this agreement, and any subsequent Commission Order arising from the failure to abide by this agreed compliance schedule or the failure to timely shut-in operations once Operator's license is suspended.

6. This agreement shall be effective only if it is incorporated into a Commission Order. This agreement may be modified or terminated only by subsequent Commission Order.



Lane R. Palmateer
Litigation Counsel
Kansas Corporation Commission

3/12/2015
Date


LED Enterprises, LLC

2-20-15
Date

CERTIFICATE OF SERVICE

I certify that on 3/17/15, 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:

Vic Butler
LED Enterprises, LLC
801 Fredrick Dr.
El Dorado, KS 67042

Jeff Klock
KCC District #2

/s/ Lane R. Palmateer
Lane R. Palmateer
Litigation Counsel
Kansas Corporation Commission
