

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

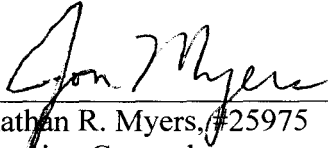
Before Commissioners: Shari Feist Albrecht, Chair
Jay Scott Emler
Pat Apple

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) CONSERVATION DIVISION
Platt #1-29 wells in Barber County, Kansas.)
_____) License No.: 5050

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

Commission Staff moves for the Commission to adopt and approve the attached Settlement Agreement, which has been signed by both parties. If the Commission approves the Settlement Agreement, then the evidentiary hearing scheduled for November 19, 2015, will no longer be necessary. Accordingly, Staff does not intend to submit pre-filed testimony by the October 26, 2015, deadline, and would ask that the deadlines be adjusted if the Commission does not approve the Settlement Agreement. Staff believes that the Settlement Agreement represents a fair and 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: 316-337-6106

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

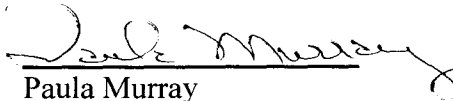
I certify that on 12/23/18, I caused a complete and accurate copy of this Motion to be served via United States mail, with the postage prepaid and properly addressed to the following:

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

Scott Alberg
KCC District #1

And hand-delivered to:

Lane Palmateer, Conservation Division Central Office



Paula Murray
Legal Assistant
Kansas Corporation Commission