

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

In the matter of the failure of Micro Oil, LLC     )  
("Operator") to report activity that occurred     )  
during the 2018 calendar year in compliance with     )  
K.A.R. 82 3 409.     )  
\_\_\_\_\_) License No.: 35488

**MOTION TO APPROVE SETTLEMENT AGREEMENT**

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

1. On April 25, 2019, the Commission issued a Penalty Order against Operator for  
17 violations of K.A.R. 82-3-409 because the Operator failed to file the necessary annual fluid  
injection reports for the subject wells. The Penalty Order assessed a \$1,700 penalty.
2. Staff and Operator have reached a settlement in this matter. Staff believes the  
attached Settlement Agreement constitutes a reasonable resolution of all issues in this docket and  
respectfully requests that it be approved.

WHEREFORE, Staff requests this motion be granted.

Respectfully submitted,



Lauren N. Wright, #27616  
Litigation Counsel,  
Kansas Corporation Commission  
266 N. Main, Suite 220, Wichita, Kansas 67202  
Phone: 316-337-6200; Fax: 316-337-6211

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

Before Commissioners:                      Dwight D. Keen, Chair  
   Shari Feist Albrecht  
   Susan K. Duffy

In the matter of the failure of Micro Oil, LLC	)	Docket No.: 19-CONS-3360-CPEN
("Operator") to report activity that occurred	)	
during the 2018 calendar year in compliance	)	CONSERVATION DIVISION
with K.A.R. 82 3 409.	)	
<hr/>		License No.: 35488

**SETTLEMENT AGREEMENT**

This Settlement Agreement (Agreement) is entered into by and between the Staff of the Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively) and Taub Oil, Inc. ("Operator"). Its effective date will be the date the Commission enters an order approving or amending the terms of the Agreement.

**I. JURISDICTION**

1. Pursuant to K.S.A. 74-623, the Commission shall have the exclusive jurisdiction and authority to regulate oil and gas activities.
2. Pursuant to K.S.A. 55-150 *et seq.*, the Commission has authority to regulate the construction, operation, and abandonment of any well and the protection of the useable water of this state from any actual or potential pollution from any well.
3. Pursuant to K.S.A. 55-155, operators and contractors, as defined in K.S.A. 55-150, shall be licensed by the Commission.
4. Pursuant to K.S.A. 55-162, if the Commission finds that such person violated any provisions of K.S.A. 55-150 *et seq.*, the Commission shall take any appropriate action necessary to prevent pollution and protect water supply.

5. Pursuant to K.A.R. 82-3-409, each operator of an injection well must submit an annual report showing for the previous calendar year the following information: the monthly average wellhead pressure; the maximum wellhead pressure; the amount and kind of fluid injected into each well; any other performance information that may be required.

6. Pursuant to K.A.R. 82-3-409(c), the report shall be submitted by March 1 of the following year, and the failure to file an annual injection report shall be punishable by a \$100 penalty.

## **II. BACKGROUND**

7. On April 25, 2019, the Commission issued a Penalty Order against the Operator for 17 violations of K.A.R. 82-3-409 finding that the Operator did not file an annual injection report for the subject wells, reporting activity during the 2018 calendar year. The Penalty Order assessed a \$1,700 penalty.

8. The Penalty Order gave the Operator 30 days to file the required annual fluid injection reports.

9. By July 2, 2019, the Operator submitted the required annual fluid injection reports for all 17 of the subject wells, leaving only the outstanding \$1,700 penalty at issue.

10. To avoid potential litigation costs and to foster administrative efficiency, Operator and Staff have agreed to the following settlement and payment plan.

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

11. 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 stipulations as set forth below.

12. Of the \$1,700 owed in this docket, the Operator shall pay a total of \$850 in monthly installments. Of the \$850 owed, the Operator shall pay \$212.50 by August 1, 2019; \$212.50 by September 1, 2019; \$212.50 by October 1, 2019; and the remaining \$212.50 by November 1, 2019.

13. Operator understands and agrees that failure to comply with the provisions of any of the above paragraphs will result in the Commission suspending Operator's license without further notice until all past-due payments are paid. Operator further understands and agrees that if Operator is found conducting oil and gas operations following suspension of Operator's license, and Operator's license is still suspended, then the Commission shall order all of Operator's oil and gas operations sealed and shall assess an additional \$5,000 penalty.

14. Operator acknowledges that upon any suspension of Operator's license, this matter may be submitted for judicial enforcement or enforcement through the Kansas Attorney General's Office.

15. Staff agrees to recommend to the Commission that this Agreement be approved. Staff further agrees that upon approval by the Commission, and barring default proceedings pursuant to K.S.A. 77-520, this Agreement shall constitute a final resolution of this matter.

#### **IV. RESERVATIONS**

16. This Settlement Agreement fully resolves the issues specifically addressed between the parties. The terms of this Agreement constitute a fair and reasonable resolution of the issues addressed herein.

17. The terms and provisions of this Agreement have resulted from negotiations between the signatories and are interdependent. In the event the Commission does not approve the terms of the Agreement in total, any party has the option to terminate this Agreement and, if

so terminated, none of the signatories hereto shall be bound by, prejudiced, or in any way affected by any of the terms or provisions hereof, unless otherwise provided herein.

18. Unless (and only to the extent) otherwise specified in this Agreement, the signatories to this Agreement shall not be prejudiced, bound by, or affected in any way by the terms of this Agreement: (1) in any future Commission or court proceeding; (2) in any proceeding currently pending before the Commission under a separate docket; and/or (3) in this proceeding, if the Commission decides not to approve this Agreement in total or in any way conditions its approval of the same. This paragraph is not meant to limit future enforcement of this Agreement, should either party fail to fulfill all terms and provisions.

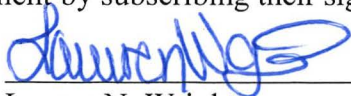
19. Unless (and only to the extent) otherwise specified in this Agreement, this Agreement does not prejudice or waive any party's legal rights, positions, claims, assertions or arguments in any proceedings in this docket, or any other proceeding before the Commission or in any court.

20. If the Commission approves this Agreement in its entirety and incorporates the same into a final order in this docket, the parties agree to be bound by its terms and the Commission's order incorporating its terms as to all issues addressed herein, and will not appeal the Commission's order.

21. This Settlement Agreement shall be binding on all parties upon signing.

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

By:



Lauren N. Wright  
Litigation Counsel  
Kansas Corporation Commission  
266 N. Main, Ste. 220  
Wichita, KS 67202

By:

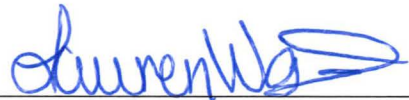


R.L. Anderson  
Micro Oil, LLC  
10721 S. Thornton Rd.  
Casa Grande, AZ 85193

**VERIFICATION**

STATE OF KANSAS                     )  
  ) ss.  
COUNTY OF SEDGWICK            )

Lauren N. Wright, of lawful age, being duly sworn upon her oath deposes and states that she is Litigation Counsel for the State Corporation Commission of the State of Kansas; that she has read and is familiar with the foregoing *Motion*, and attests that the statements therein are true to the best of her knowledge, information and belief.

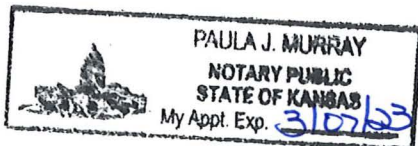


Lauren N. Wright, S. Ct. #27616  
Litigation Counsel  
State Corporation Commission  
of the State of Kansas

SUBSCRIBED AND SWORN to before me this 11 day of July, 2019.

  
Notary Public

My Appointment Expires: 3/07/23



## **CERTIFICATE OF SERVICE**

19-CONS-3360-CPEN

I, the undersigned, certify that a true copy of the attached Motion has been served to the following by means of first class mail and electronic service on July 11, 2019.

ROBERT ANDERSON  
MICRO OIL, LLC  
10721 S THORNTON RD  
CASA GRANDE, AZ 85193-9735

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/S/ Paula J. Murray  
\_\_\_\_\_  
Paula J. Murray