THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Shari Feist Albrecht, Chair

Jay Scott Emler

Pat Apple

In the matter of an agreed compliance) Docket No. 15-CONS-173-CMSC schedule for Joe Brake to plug the wells on)

the Korte Lease in Butler County, Kansas) CONSERVATION DIVISION

)

License No. 31074

MOTION TO APPROVE AGREED COMPLIANCE SCHEDULE

The Staff of the Kansas Corporation Commission moves the Commission for an Order approving the attached Agreed Compliance Schedule for the following reasons:

- 1. Temporary Abandonment status has been denied for the three wells on the Korte Lease. The Operator has plugged one well, and Staff and the Operator have agreed to the terms in the attached Agreed Compliance Schedule with regard to the remaining two wells.
- 2. Staff and the Operator have agreed to the terms of the attached Agreed Compliance Schedule as an appropriate and efficient disposition of the wells.

WHEREFORE, Staff moves the Commission to approve the attached Agreed Compliance Schedule and adopt the agreement into a Commission Order.

Respectfully submitted,

Lane R. Palmateer, #23661

Litigation Counsel

Kansas Corporation Commission

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CERTIFICATE OF SERVICE

Joe Brake dba Brake Inc. Rt. 1 Box 84 Latham, Kansas 67072

Jeff Klock KCC District #2 Supervisor

And delivered by hand to the following:

Jon Myers Conservation Division Central Office

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

AGREED COMPLIANCE SCHEDULE

The Staff of the Kansas Corporation Commission and Joe Brake dba Brake Inc. ("Operator"), agree as follows:

- 1. Operator does not have the private contractual right to operate the Korte Lease, which contains the following three wells in Butler County, Kansas:
 - a. Korte #1, API #15-015-21690-00-00, NESWNE 15-28S-7E;
 - b. Korte #4, API #15-015-21693-00-01, SWNESWNE 15-28S-7E; and
 - c. Korte #5, API #15-015-19722-00-00, NENWNE 15-28S-7E.
- 2. Staff sent temporary abandonment ("TA") denial letters to the Operator with compliance deadlines. Operator has already plugged the Korte #4 well. Operator requested additional time beyond the standard TA denial letter, and the parties agreed that one month for each well is sufficient and agreeable.
- 3. Staff and the Operator have agreed that this compliance schedule is reasonable and will provide for the efficient correction of these violations.
- 4. Operator shall address the subject wells by plugging them. Returning to service or temporary abandonment status under K.A.R. 82-3-111 shall not be an option.
- 5. Operator shall plug one of the remaining two wells by 5:00 pm on Friday, August 29, 2014. Operator shall plug the second well by 5:00 pm on Tuesday, September 30, 2014.
- 6. Operator shall determine the order of addressing the wells, because the parties do not believe either of the wells presents an imminent pollution threat. If in the future Staff has information indicating that any well presents a pollution threat, that well shall be addressed first.

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- 7. The failure to comply with any compliance deadline shall constitute a violation of the Commission Order incorporating this agreement and subject Operator to license suspension and the shutting-in and sealing of all operations until both of the wells are plugged. 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 or any subsequent Commission Order arising from the failure to abide by this agreed compliance schedule or the failure to timely shut-in operations.
- 8. 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

8/19/2014

Date

Joe Brake dba Brake Inc.

Hugust 14,2014

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