

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

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

In the matter of a Compliance Agreement) Docket No.: 17-CONS-3543-CMSC
between Eldon R. Koehn (Operator) and)
Commission Staff regarding bringing the subject) CONSERVATION DIVISION
wells in McPherson County into compliance with)
K.A.R. 82-3-111.) License No.: 3822

ORDER APPROVING COMPLIANCE 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. Commission Staff and Operator have executed a compliance agreement, which is attached as an exhibit.
2. The compliance agreement provides a fair and efficient resolution of this matter.

THEREFORE, THE COMMISSION ORDERS:

- A. The compliance 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.
- 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.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: APR 25 2017


Amy L. Green
Secretary to the Commission

Mailed Date: April 25, 2017

JRM

Received
KCC District #2
APR 17 2017
Wichita, KS

COMPLIANCE AGREEMENT

This Agreement is between Eldon R. Koehn ("Operator") (License #3822) and Commission Staff ("Staff"). If the Commission does not approve this Agreement by a signed order, this Agreement shall not be binding on either party.

A. Background

1. Operator is responsible for German #1, API #15-113-00804, and Meeks #3, API #15-113-02661 wells (collectively "the subject wells"). The subject wells are out of compliance with K.A.R. 82-3-111. Operator has asked for an agreement to avoid penalties while Operator works to plug the subject wells, return them to service, or obtain temporary abandonment status for them. Staff is supportive of an agreement.

B. Terms of Compliance Agreement

2. By May 4, 2017, Operator shall plug, return to service, or obtain temporary abandonment status for one of the subject wells. If Operator fails to comply with this deadline, then Operator shall be assessed a \$1,000 penalty. By June 19, 2017, Operator shall plug, return to service, or obtain temporary abandonment status for the remaining subject well. If Operator has not plugged, returned to service, or obtained temporary abandonment status for the subject wells by September 19, 2017, then Operator shall be assessed an additional \$2,500 penalty, and Staff may plug the wells and assess the costs to Operator.

3. If Operator fails to comply with any deadline in any of the above paragraphs, or if penalties or costs are owed, then Staff shall suspend Operator's license until compliance is obtained and the penalties or costs 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 to assess an additional \$10,000 penalty.

4. Operator agrees to waive its right to appeal any future orders of the Commission regarding this matter, any penalties or costs assessed under this Agreement, and any suspension of Operator's license implemented by Staff due to Operator's failure to comply with this Agreement. The terms of this Agreement shall remain binding upon Operator even if its interests in the subject wells are conveyed.

5. Except as described herein, Staff will not pursue Operator for any violation of K.A.R. 82-3-111 at the subject wells that occurred or occurs prior to September 19, 2017.

C. Conclusion

Both parties believe this Agreement fairly resolves the matters at issue.

Commission Staff

Eldon R. Koehn

By: Joshua D. Wright

By: Eldon R. Koehn

Printed Name: Joshua D. Wright

Printed Name: Eldon R. Koehn

Title: Litigation Counsel

Title: Owner

Date: 4-17-17

Date: 4-13-17

CERTIFICATE OF SERVICE

I certify that on April 25, 2017, 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:

Eldon R. Koehn
2241 Moccasin Road
Galva, KS 67443-8842

and delivered by e-mail to:

Joshua R. Wright
KCC Conservation Division

Dan Fox
KCC District #2

/s/ Cynthia K. Maine
Cynthia K. Maine
Administrative Assistant
Kansas Corporation Commission