

**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 Application of Apollo	)	Docket No.: 14-CONS-030-CEXC
Energies, Inc. for an exception to the 10-year	)	
time limitation of K.A.R. 82-3-111 for its	)	CONSERVATION DIVISION
Southwestern College #11 well located in the	)	
W/2 E/2 NW of Section 3, Township 26 South,	)	License No.: 30482
<u>Range 16 West, Edwards County, Kansas.</u>	)	

**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:

**I. FINDINGS OF FACT**

1. On July 11, 2013, Apollo filed an application for an exception to the 10-year temporary abandonment limitation of K.A.R. 82-3-111 for the Southwestern College #11 well. On August 12, 2013, the Commission received a protest from Southwestern College, objecting to the application.
2. Apollo, Southwestern College, and Commission Staff have executed a settlement agreement, which provides Apollo until December 1, 2015, to plug the Southwestern College #11 well, in part to accommodate the surface owner's corn crop. A copy of the settlement agreement, attached as Exhibit A, is incorporated into this Order.
3. Paragraph 7 of the settlement agreement states that "[E]xcept as otherwise provided for herein, Commission Staff will not pursue Apollo for any violation of Kansas plugging statutes, rules and regulations." As the Commission understands it, this language means

that Staff will not pursue Apollo for any violation pertaining to temporary abandonment of the Southwestern College #11 except as provided in the settlement.

## **II. CONCLUSIONS OF LAW**

4. The Commission concludes that the settlement agreement provides a fair and efficient resolution of the issues in this docket.

### **THEREFORE, THE COMMISSION ORDERS:**

- A. The attached settlement agreement is hereby approved.
- 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 31 2015



\_\_\_\_\_  
Neysa Thomas  
Acting Secretary

Mailed Date: March 31, 2015

JRM

### SETTLEMENT AGREEMENT

Apollo Energies, Inc. ("Apollo"), Southwestern College, and Commission Staff agree as follows:

1. Apollo is responsible for the Southwestern College #11, 15-047-21000-0001 ("the subject well"), which is located in the W/2 E/2 NW/4 of Sec. 3-26S-R16W, Edwards County, Kansas.
2. Operator shall plug and abandon the subject well. Returning the well to service or obtaining temporary abandonment status shall not be an option. This Settlement Agreement shall be binding upon the successors and assigns of the subject well.
3. The subject well shall be plugged by December 1, 2015. The parties agree that this provides a reasonable time for the Operator to schedule the plugging, allow for occasional inclement weather, and obtain sufficient priority on a contractor's plugging list if necessary. This timeframe will accommodate the surface owner's corn crop and avoid damages to the same.
4. The failure to comply with the plugging deadline in this Settlement Agreement shall constitute a violation of the Commission Order incorporating this agreement and shall subject Operator to immediate license suspension until the subject well is plugged.
5. 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. This agreement shall terminate upon the plugging of the subject well.
6. The adoption of this settlement by the Commission shall resolve the application and protest in KCC Docket No. 14-CONS-030-CEXC, and the docket shall be closed as complete when the subject well is plugged.

7. While this Settlement Agreement is in effect, Apollo shall not be required to file annual temporary abandonment applications for the subject well and, except as otherwise provided for herein, Commission Staff will not pursue Apollo for any violation of Kansas plugging statutes, rules and regulations.

Apollo Energies, Inc.

By:

Jim Byers  
Jim Byers  
President  
Date  
3-18-15

Jim Byers  
Lane R. Palmateer 3/20/15  
Lane R. Palmateer  
Commission Staff  
Date

Thomas G. Schmitter  
Southwestern College  
Date

Thomas G. Schmitter

16 March 15  
Date

FARM MANAGER

## CERTIFICATE OF SERVICE

I certify that on 3/31/15, 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:

Jim Byers or W. Sue Byers  
Apollo Energies, Inc.  
10378 N. 281 Highway  
Pratt, Kansas 67124

Jon Schlatter  
Morris Laing et al.  
300 N. Mead, Suite 200  
Wichita, Kansas 67202  
*Attorney for Apollo Energies, Inc.*

Jeff Kennedy  
Martin, Pringle et al.  
100 N. Broadway, Suite 500  
Wichita, Kansas 67202  
*Attorney for Southwestern College*

David W. Andreas  
104½ West 9<sup>th</sup>, Suite 303  
Winfield, Kansas 67156  
*Attorney for Southwestern College*

Thomas G. Schnittker  
Schnittker AG. Services  
P.O. Box 1  
Pratt, Kansas 67124

And delivered by hand to:

Lane Palmateer  
Conservation Division Central Office

/s/ Jonathan R. Myers

Jonathan R. Myers

Litigation Counsel (Prehearing Officer & Assistant General Counsel in this matter)  
Kansas Corporation Commission