

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

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

In the matter of the failure of Tom & Stacey) Docket No.: 17-CONS-3390-CPEN
Theis dba South Central Oil and Gas)
("Operator") to comply with K.A.R. 82-3-120) CONSERVATION DIVISION
)
) License No.: 34031

MOTION TO APPROVE SETTLEMENT AGREEMENT

Commission Staff moves for the Commission to adopt and approve the attached Settlement Agreement, which has been signed by both parties. Staff believes the Agreement represents an appropriate manner of resolving the issues described therein.

Respectfully submitted,



Joshua D. Wright, #24118
Litigation Counsel
Kansas Corporation Commission
266 N. Main, Suite 220
Wichita, Kansas 67202
Phone: 316-337-6200; Fax: 316-337-6211

SETTLEMENT AGREEMENT

This Agreement is between Tom & Stacey Theis ("Operator") (License #34031) and Commission Staff ("Staff"). If the Commission does not approve this Agreement by a signed Order, then this Agreement shall not be binding on either party. This Agreement shall settle the proceedings in Commission Docket Number 17-CONS-3390-CPEN.

A. Background

1. On December 1, 2016, the Commission issued a Penalty Order against Operator, finding one violation of K.A.R. 82-3-120, assessing a \$500 penalty, and directing Operator, within 30 days, to renew its license, transfer the wells on its license, or plug the wells on its license. Operator filed a timely appeal and has renewed its license. Both Staff and Operator wish to settle this matter instead of incurring the expense of litigation.

B. Terms of Settlement

2. Operator admits to one violation of K.A.R. 82-3-120, but instead of \$500, Operator shall pay \$250 in this docket, which shall be due by March 31, 2017.

3. If Operator fails to comply with the deadline in Paragraph 2, then Staff shall suspend Operator's license until compliance is obtained. 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 the 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 \$5,000.

4. Operator agrees to waive its right to appeal the Commission's Order approving this Agreement, any penalties assessed under this Agreement, and any suspension of Operator's license implemented by Staff due to Operator's failure to comply with this Agreement.

Commission Staff

By: Joshua D. Wright

Printed Name: Joshua D. Wright

Title: Litigation Counsel

Date: 4-10-17

Tom & Stacey Theis

By: Stacey Theis

Printed Name: Stacey Theis

Title: Operator

Date: 4-7-2017

CERTIFICATE OF SERVICE

I certify that on April 11, 2017, 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:

Tom & Stacey Theis dba South Central Oil and Gas
84A SW 20th Street
Kingman, KS 67068

and delivered by e-mail to:

Joshua D. Wright, Litigation Counsel
KCC Wichita Central Office

Dustin L. Kirk, Deputy General Counsel
KCC Topeka Office

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