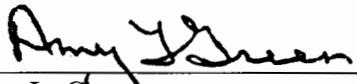


C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: AUG 30 2016



Amy L. Green
Secretary to the Commission

Mailed Date: August 30, 2016

JM

SETTLEMENT AGREEMENT

This Agreement is between Loewen Operator, Inc. (“Operator”) (License #5631) 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 16-CONS-4076-CPEN.

A. Background

1. The June 9, 2016, Penalty Order in this docket required Operator to pay \$1,000 for one violation of K.A.R. 82-3-400. Operator filed a timely appeal.
2. Operator reports that it submitted erroneous data regarding the well at issue. Operator has submitted an updated Annual Fluid Injection Report (“U3C”).
3. Staff recommends that the penalty in this docket should be reduced to \$500, due to the erroneous data submission.

B. Terms of Settlement

4. Instead of paying \$1,000, Operator shall pay \$500 in this docket, which shall be due within 30 days from the date this Agreement is approved by an Order of the Commission.
5. The Commission shall find Operator committed one violation of K.A.R. 82-3-409, rather than one violation of K.A.R. 82-3-400.
6. If Operator fails to comply with the payment deadline, 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.

7. Operator agrees to waive its right to appeal any future orders of the Commission regarding this matter, any penalties assessed under this Agreement, and any suspension of Operator's license implemented due to Operator's failure to comply with this Agreement.

Commission Staff

Loewen Operator, Inc.

By: Jon Myers

By: Douglas D. Loewen

Printed Name: JON MYERS

Printed Name: Douglas D. Loewen

Title: LITIGATION COUNSEL

Title: President

Date: 8/18/16

Date: 8-18-2016

CERTIFICATE OF SERVICE

I certify that on August 30, 2016, 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:

Douglas D. Loewen
Loewen Operator, Inc.
PO Box 335
Canton, KS 67428-0335

And delivered electronically to:

Jonathan R. Myers
Rene Stucky
KCC Central Office

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