

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

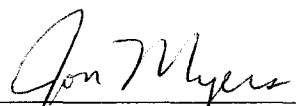
Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the matter of a Compliance Agreement)	Docket No.: 17-CONS-3479-CMSC
between Alliance Exploration Co., LLC and)	
Commission Staff regarding bringing the)	CONSERVATION DIVISION
Bollinger #2-1 in Butler County into)	
<u>compliance with K.A.R. 82-3-111.</u>)	License No.: 33889

MOTION FOR THE COMMISSION TO ADOPT
A COMPLIANCE AGREEMENT

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

Respectfully submitted,



Jonathan R. Myers, #25975
Litigation Counsel
Kansas Corporation Commission
266 N. Main, Suite 220
Wichita, Kansas 67202
Phone: 316-337-6200; Fax: 316-337-6211

COMPLIANCE AGREEMENT

This Agreement is between Alliance Exploration Co., LLC (“Operator”) (License #33889) 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 the Bollinger #2-1, API #15-015-22048 (“the subject wells”), which is 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 well, return it to service, or obtain temporary abandonment status for it. Staff is supportive of an agreement.

B. Terms of Compliance Agreement

2. By March 17, 2017, Operator shall plug, return to service, or obtain temporary abandonment status for the subject well.

3. By March 17, 2017, Operator shall cause to be filed an acceptable Transfer of Operator (“T-1”) Form with the Commission, transferring the subject well to its license.

4. If Operator fails to comply with any deadline described in Paragraph 2 or 3, then Operator shall be assessed a \$1,000 penalty. If the subject well is not in compliance with K.A.R. 82-3-111 by being plugged, returned to service, or having temporary abandonment status, by April 30, 2017, then Operator shall be assessed an additional \$5,000 penalty, and Staff may plug the well and assess the costs to Operator.

5. If Operator fails to comply with 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 \$5,000 penalty.

6. Operator agrees to waive its right to appeal the Commission’s Order approving this Agreement, 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 interest in the subject well is conveyed. However, if the subject well transferred to another operator and then brought into compliance with K.A.R. 82-3-111, it shall no longer be the responsibility of

Operator under this Agreement, and shall count towards Operator meeting its compliance obligations under this Agreement.

7. Except as described by this Agreement, Staff will not pursue Operator for any violation of K.A.R. 82-3-111 at the subject well that occurred or occurs prior to April 30, 2017, except if the well is brought into compliance after Commission approval of this Agreement and again falls out of compliance, and remains on Operator's license.

Commission Staff

By: JON MYERS

Printed Name: Jon Myers

Title: LITIGATION COUNSEL

Date: 2/6/17

Alliance Exploration Co., LLC

By: DBM

Printed Name: David Bollinger

Title: President

Date: 2/6/2017

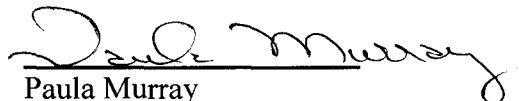
CERTIFICATE OF SERVICE

I certify that on 2/7/17, 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:

David Bollinger
Alliance Exploration Co., LLC
1800 S. Baltimore Avenue, Suite 810
Tulsa, Oklahoma 74119

And delivered by email to:

Jeff Klock & Dan Fox
KCC Conservation Division


Paula Murray
Legal Assistant
Kansas Corporation Commission