

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

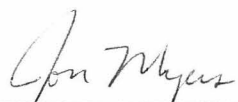
Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the matter of a Compliance Agreement)	Docket No.: 17-CONS-3508-CMSC
between Anthony L. Gilliland and Commission)	
Staff regarding bringing the Hoyt #3 well in)	CONSERVATION DIVISION
Butler County into compliance with K.A.R. 82-)	
3-111.)	License No.: 31794

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 Anthony L. Gilliland ("Operator") (License #31794) 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 Hoyt #3, API #15-015-40486 ("the subject well"), 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 April 17, 2017, Operator shall plug, return to service, or obtain temporary abandonment status for the subject well.

3. If Operator fails to comply with the deadline described in Paragraph 2, 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 May 31, 2017, then Operator shall be assessed an additional \$5,000 penalty, and Staff may plug the subject well and assess the costs to Operator.

4. If Operator fails to comply with any of the above deadlines, 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.

5. 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 wells 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.

6. 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 May 31, 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

Anthony L. Gilliland

By: Jon Myers

By: Anthony L. Gilliland

Printed Name: JON MYERS

Printed Name: Anthony L. Gilliland

Title: LITIGATION COUNSEL

Title: OPERATOR

Date: 3/2/17

Date: 2-26-17

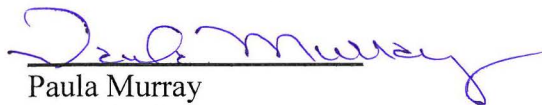
CERTIFICATE OF SERVICE

I certify that on 3/2/17, 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:

Anthony L. Gilliland
326 South 100th
Edwardsville, Kansas 66111

And delivered by email to:

Jeff Klock & Dan Fox
KCC Conservation Division



Paula Murray
Legal Assistant
Kansas Corporation Commission