

**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 failure of KC Resources,)	Docket No.: 15-CONS-766-CPEN
Inc. dba Crystal River ("Operator") to comply)	
with K.A.R. 82-3-407 at the Cunningham B)	CONSERVATION DIVISION
Unit #41 and Cunningham B Unit #46 in Barber)	
County, Kansas.)	License No.: 3880

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:

1. The Staff of the Kansas Corporation Commission and the captioned operator have executed a settlement agreement, which is attached to and incorporated into this Order.
2. The Commission finds and 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 approved and incorporated into this Order.
- 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: JUN 2 2015



Amy L. Gilbert
Secretary

Mailed Date: June 2, 2015

LRP

SETTLEMENT AGREEMENT

This Settlement Agreement is between KC Resources, Inc. dba Crystal River ("Operator") and the Staff of the Corporation Commission of the State of Kansas ("Staff"). The effective date of this Settlement Agreement shall be the date it is approved by an Order of the Commission. If the Commission does not approve this Settlement Agreement by a signed Order, then this Settlement Agreement shall not be binding on either party. This Settlement Agreement shall settle the proceedings instituted in Commission Docket Number 15-CONS-766-CPEN.

A. Background

1. The March 19, 2015, Penalty Order in this docket required Operator to pay \$2,000 for a total of two violations of K.A.R. 82-3-407. Operator filed a timely appeal.
2. Operator has brought the two wells at issue into compliance with K.A.R. 82-3-407. Staff recommends that the penalty regarding these wells should be reduced.

B. Terms of Settlement

3. Instead of paying \$2,000, Operator shall pay \$1,000 in this docket, which shall be due within 30 days from the date this Settlement Agreement is approved by an Order of the Commission. If Operator fails to comply with the payment deadline, then Staff shall suspend Operator's license until compliance is obtained. Operator agrees to waive its right to appeal any suspension of Operator's license implemented by Commission Staff due to Operator's failure to comply with this Settlement Agreement.

C. Conclusion

Both parties believe that this Settlement Agreement represents a fair and appropriate resolution to the matters in this docket.

This Settlement Agreement has been agreed to by the undersigned:

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 5/15/15

KC Resources, Inc. dba Crystal River

By: Jeffrey A. Wilson

Printed Name: Jeffrey A. Wilson

Title: Authorized Agent and Attorney

Date: 5/15/15

CERTIFICATE OF SERVICE

I certify that on 6/2/15, 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:

Jeffrey A. Wilson
Anderson & Byrd, LLP
216 S. Hickory, P.O. Box 17
Ottawa, KS 66067
Attorney for KC Resources

Reiner Klawiter
KC Resources, Inc., dba Crystal River
P.O. Box 6749
Snowmass Village, CO 81615

And delivered by hand to:

Jon Myers, Rene Stucky
Conservation Division Central Office

/s/ Lane R. Palmateer
Lane R. Palmateer
Prehearing Officer and Assistant General Counsel
Kansas Corporation Commission