

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

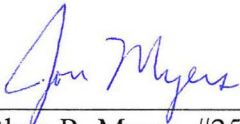
Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the matter of an Order to Show Cause issued) Docket No.: 17-CONS-3375-CSHO
to Jo-Allyn Oil Co., Inc. ("Operator") for its)
failure to comply with either K.A.R. 82-3-400) CONSERVATION DIVISION
or K.A.R. 82-3-409 regarding injection that)
took place during the 2015 calendar year.) License No.: 33514

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,



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

SETTLEMENT AGREEMENT

This Agreement is between Jo-Allyn Oil Co., Inc. ("Operator") (License #33514) 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-3375-CSHO.

A. Background

1. On November 17, 2016, Commission Staff filed a motion to show cause against Operator, requesting the Commission to cause Operator to come before it at a hearing, to show cause why a penalty constituting an actual and substantial economic deterrent should not be assessed against Operator for its violation of either K.A.R. 82-3-400 or K.A.R. 82-3-409 regarding the Sutton #1 well for the 2015 calendar year, which would constitute a second-time violation regarding the Sutton #1. Operator has described the circumstances that led to its violation, which has now been resolved to Staff's satisfaction.

B. Terms of Settlement

2. Operator shall pay \$1,000 in this docket, which shall be due by March 31, 2017. For purposes of Operator's license renewal under K.S.A. 55-155 and K.A.R. 82-3-120, resolution of this matter will count as one violation of K.A.R. 82-3-400 or K.A.R. 82-3-409.

3. Staff shall not pursue Operator for any violation of K.A.R. 82-3-400 that may have occurred during the 2016 calendar year at the Sutton #1, API #15-135-20556.

4. If Operator fails to comply with any 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.

5. 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

Jo-Allyn Oil Co., Inc.

By: Jon Myers

By: Allen Barby

Printed Name: JON MYERS

Printed Name: Allen Barby

Title: LITIGATION COUNSEL

Title: Pres

Date: 2/13/17

Date: 2-9-17

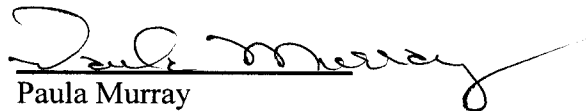
CERTIFICATE OF SERVICE

I certify that on 2/14/17, 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:

Amy Fellows Cline
Timothy E. McKee
Triplett, Woolf & Garretson, LLC
2959 N. Rock Road, Suite 67226
Attorneys for Jo-Allyn Co., Inc.

And delivered by email to:

Dustin Kirk
KCC Prehearing Officer

A handwritten signature in black ink, appearing to read "Paula Murray", is written over a horizontal line.

Paula Murray
Legal Assistant
Kansas Corporation Commission