

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

In the matter of the failure of Prolific) Docket No.: 25-CONS-3224-CPEN
Resources, LLC (Operator) to comply with)
K.A.R. 82-3-407 at the Panning #4 well in) CONSERVATION DIVISION
Stafford County, Kansas.)
_____) License No.: 33964

MOTION TO APPROVE SETTLEMENT AGREEMENT

Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) hereby files this Motion to Approve Settlement Agreement. In support of its Motion, Staff states as follows:

1. On January 14, 2025, the Commission issued a Penalty Order against Operator for violating K.A.R. 82-3-407 by failing to conduct a current and successful mechanical integrity test (MIT) on the Panning #4 well (Subject Well). The Penalty Order assessed a \$1,000 penalty and ordered Operator to perform a successful MIT on the Subject Well or plug the well.

2. Operator and Staff agree that on December 10, 2024, Staff mailed Operator a notice of violation (NOV) letter providing a December 24, 2024, deadline to conduct an MIT on the Subject Well.¹ Operator performed a successful MIT on the Subject Well on December 16, 2024, before the deadline in the NOV letter. Additionally, the MIT was witnessed by a member of Staff. However, Operator did not submit a Casing Mechanical Integrity Test (U-7) form for the Subject Well prior to the issuance of the Penalty Order in this docket

3. Staff and Operator discussed resolution of the underlying issues in this docket, and reached a settlement in this matter. The Settlement Agreement (Agreement) has been reduced to writing and is attached hereto as **Attachment A**.

¹ See Docket 25-CONS-3224-CPEN, *Penalty Order*, Exhibit A (Jan. 14, 2025).

4. In the Agreement, Staff and Operator seek Commission approval to change the regulatory violation from K.A.R. 82-3-407 to K.A.R. 82-3-128, and to seek a reduced penalty amount of \$100.

WHEREFORE, Staff respectfully requests the Commission grant this motion, thereby approving the Settlement Agreement attached hereto as Attachment A.

Respectfully Submitted,

/s/Tristan Kimbrell
Tristan Kimbrell, #27720
Litigation Counsel
Kansas Corporation Commission
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by a member of Staff. However, Operator did not submit a Casing Mechanical Integrity Test (U-7) form for the Subject Well prior to the issuance of the Penalty Order in this docket.

3. The Parties discussed resolution of the issues in this docket, and reached a settlement in this matter. As part of the settlement, Staff agreed to reduce the terms to writing and submit the same for Commission approval. The terms of the settlement are set forth below.

II. TERMS OF THE SETTLEMENT AGREEMENT

4. The Parties agree that the Commission has jurisdiction and authority over this matter. The Parties also agree that adoption of this Agreement is in the public interest and that the Commission should approve the terms as set forth below.

5. As Operator performed a successful MIT on the Subject Well before the deadline in the NOV letter but did not timely submit a U-7 form, the Parties agree to seek Commission approval to change the regulatory violation from K.A.R. 82-3-407 to K.A.R. 82-3-128, and to seek approval to reduce the penalty amount to \$100.

6. Operator stipulates that it committed one violation of K.A.R. 82-3-128 for failure to timely submit a U-7 form for the Subject Well. Operator agrees to submit a U-7 form for the MIT performed at the Subject Well on December 16, 2024, by February 24, 2025. The penalty amount prescribed by K.A.R. 82-3-128 is \$100. Consequently, Operator agrees to pay a \$100 penalty by February 24, 2025.

7. Staff agrees that upon approval by the Commission, and barring default proceedings pursuant to K.S.A. 77-520, this Agreement shall constitute a final resolution of this matter.

8. Failure to meet any of the deadlines shall result in suspension of Operator's license. Operator agrees and understands that if its license is suspended for the failure to meet the above

deadlines, the license shall remain suspended until Operator has submitted the U-7 form and the penalty has been paid in full.

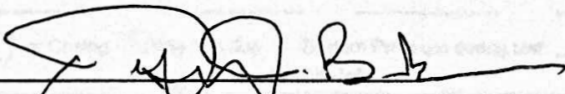
9. Operator agrees to waive its right to appeal the Commission's order approving this Agreement, any penalties assessed under this Agreement, and any suspension of Operator's license implemented by Staff due to Operator's failure to comply with this Agreement.

IN WITNESS WHERETO, the Parties hereby execute and approve this Settlement Agreement by subscribing their signatures below.

Commission Staff

/s/Tristan Kimbrell
Tristan Kimbrell, #27720
Litigation Counsel
Kansas Corporation Commission
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Prolific Resources, LLC

Signature: 

Printed Name: Jeffrey A. Bork

Title: Geologist/Agent

Date: 01/24/2025

CERTIFICATE OF SERVICE

25-CONS-3224-CPEN

I, the undersigned, certify that a true and correct copy of the attached Motion has been served to the following by means of first class mail and electronic service on January 24, 2025.

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/s/ Paula J. Murray
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