

**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-3495-CMSC
between Leslie Wolfe and Commission Staff)
regarding bringing the 17 wells on the Mustoe) CONSERVATION DIVISION
Lease in Chautauqua County into compliance)
with K.A.R. 82-3-111.) License No.: 32967

ORDER APPROVING COMPLIANCE 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. Commission Staff and Operator have executed a compliance agreement, which is attached as an exhibit to this Order and incorporated by reference.
2. The compliance agreement provides a fair and efficient resolution of this matter.

THEREFORE, THE COMMISSION ORDERS:

- A. The compliance 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.
- 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.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: FEB 23 2017



Amy L. Greer
Secretary to the Commission

Mailed Date: February 23, 2017

JM

COMPLIANCE AGREEMENT

This Agreement is between Leslie Wolfe ("Operator") (License #32967) 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 17 wells ("the subject wells") on the attached list. All of the wells are 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 wells, return them to service, or obtain temporary abandonment status for them. Staff is supportive of an agreement.

B. Terms of Compliance Agreement

2. By April 30, 2017, Operator shall plug, return to service, or obtain temporary abandonment status for 2 of the subject wells. Operator shall plug, return to service, or obtain temporary abandonment status for an additional 2 subject wells within each three calendar months thereafter, resulting in all subject wells being returned to compliance by April 30, 2019.

3. Operator shall remove the Mustoe lease tank battery and fully remediate the tank battery location pursuant to District #3 Staff specifications by July 31, 2017.

4. If Operator fails to comply with any deadline described in Paragraph 2 or 3, then Operator shall be assessed a \$1,000 penalty for each missed deadline. If any of the subject wells are not in compliance with K.A.R. 82-3-111 by being plugged, returned to service, or having temporary abandonment status, by July 31, 2019, then Operator shall be assessed an additional \$2,500 penalty, and Staff may plug the wells 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 any future orders of the Commission regarding this matter, 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 interests

in the subject wells are conveyed. However, any subject well transferred to another operator and then brought into compliance with K.A.R. 82-3-111 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 wells that occurred or occurs prior to July 31, 2019, except for wells brought into compliance after Commission approval of this Agreement that again fall out of compliance that remain on Operator's license.

8. If Staff discovers additional wells, not listed on Operator's well inventory, on leases where wells subject to this Agreement are currently located, then this Agreement may be amended to add such additional wells with the written consent of both Operator and Staff. If this Agreement is amended then Staff must file a statement to that effect in the Commission docket that will be created for this matter, also stating that Operator is not opposed to the addition of the wells. The addition of wells will not change the number of wells to be brought into compliance each calendar quarter, but may extend the final compliance deadline.

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 2/17/17

Leslie Wolfe

By: Leslie Wolfe

Printed Name: Leslie Wolfe

Title: Operator / owner

Date: 2-4-2017

Leslie Wolfe
License: 32967
List of Wells

	WELL_NM		API_WELLNO	SEC	TWP	RNGN	DIR	County
Line 1	MUSTOE	13	15019193100000	3	32	12	E	CHAUTAQUA
Line 2	MUSTOE	1	15019216320001	3	32	12	E	CHAUTAQUA
Line 3	MUSTOE	2	15019216330000	3	32	12	E	CHAUTAQUA
Line 4	MUSTOE	3	15019216340001	3	32	12	E	CHAUTAQUA
Line 5	MUSTOE	4	15019218880002	3	32	12	E	CHAUTAQUA
Line 6	MUSTOE	5	15019218890000	3	32	12	E	CHAUTAQUA
Line 7	MUSTOE	6	15019218900000	3	32	12	E	CHAUTAQUA
Line 8	MUSTOE	11	15019227550000	3	32	12	E	CHAUTAQUA
Line 9	MUSTOE	12	15019227560000	3	32	12	E	CHAUTAQUA
Line 10	MUSTOE	8	15019225120000	3	32	12	E	CHAUTAQUA
Line 11	MUSTOE	9	15019225130000	3	32	12	E	CHAUTAQUA
Line 12	MUSTOE	10	15019225140000	3	32	12	E	CHAUTAQUA
Line 13	MUSTOE	15	15019267550000	3	32	12	E	CHAUTAQUA
Line 14	MUSTOE	14	15019267560000	3	32	12	E	CHAUTAQUA
Line 15	MUSTOE	17	15019268460000	3	32	12	E	CHAUTAQUA
Line 16	MUSTOE	20	15019272030000	3	32	12	E	CHAUTAQUA
Line 17	MUSTOE	7	15019193090005	3	32	12	E	CHAUTAQUA

CERTIFICATE OF SERVICE

I certify that on February 23, 2017, 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:

Leslie Wolfe
208 Stephens Street
Peru, Kansas 67360

And delivered electronically to:

Jon Myers
Conservation Division Central Office

/s/ Cynthia K. Maine
Cynthia K. Maine
Administrative Assistant
Kansas Corporation Commission