

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

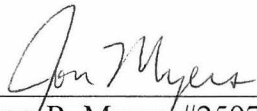
Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the matter of an Order to Show Cause issued) Docket No.: 17-CONS-3374-CSHO
to Nordmeyer Oil, 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.: 6788

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. Approval of this Settlement Agreement, which Staff recommends, would render Staff's pending December 16, 2016, Motion for Default Order moot. 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 Nordmeyer Oil, Inc. (“Operator”) (License #6788) 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-3374-CSHO.

A. Background

1. On November 17, 2016, Commission Staff filed a motion to show cause against Operator. Staff requested that the Commission 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 Tipton R #3B well for the 2015 calendar year, which would constitute a second-time violation regarding the well. Subsequently, Operator reported that it submitted erroneous data regarding the well. Operator has submitted an updated Annual Fluid Injection Report (“U3C”).

B. Terms of Settlement

2. Operator shall pay \$1,000 in this docket, which shall be due by February 28, 2017. For purposes of Operator’s license renewal under K.S.A. 55-155 and K.A.R. 82-3-120, the resolution of this matter will count as one violation of K.A.R. 82-3-409.

3. If Operator fails to comply with the payment deadline in Paragraph 2, or if any other assessments are owed pursuant to this Agreement, then Staff shall suspend Operator’s license until full payment is made. 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.

4. 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 due to Operator's failure to comply with this Agreement.

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 2/13/17

Nordmeyer Oil, Inc.

By: Ray V. Nordmeyer

Printed Name: RAY V. Nordmeyer

Title: V. P.

Date: 2-7-2017

KCC WICHITA

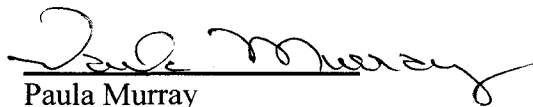
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CERTIFICATE OF SERVICE

I certify that on 2/13/17, 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:

Ray V. Nordmeyer
Nordmeyer Oil, Inc.
362 90th Road
Toronto, Kansas 66777

A handwritten signature in cursive script, appearing to read "Paula Murray", written over a horizontal line.

Paula Murray
Legal Assistant
Kansas Corporation Commission