

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

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

In the matter of the Notice of Denial of License ) Docket No.: 17-CONS-3475-CMSC  
Application Issued to Ernie D. Pratt. )  
) CONSERVATION DIVISION  
)  
) License No.: 35165

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**MOTION TO APPROVE SETTLEMENT AGREEMENT  
AND TO ADJUST PROCEDURAL SCHEDULE**

The Staff of the State Corporation Commission of the State of Kansas (“Staff” and “Commission,” respectively), moves the Commission to adopt and approve the attached Settlement Agreement, which has been signed by both parties. In support of its motion, Staff states as follows:

1. On January 18, 2017, Staff issued a denial of Operator’s license to Ernie D. Pratt (“Applicant”).
2. On February 2, 2017, Operator timely filed its request for hearing in this matter.
3. Following Applicant’s request for hearing, Commission Staff entered into settlement negotiations with Applicant and extended the Settlement Agreement attached hereto and marked ‘Attachment A’ on April 25, 2017.
4. On March 2, 2017, the Commission issued an Order Designating Prehearing Officer and Setting Prehearing Conference. A prehearing conference was scheduled for March 23, 2017, but was subsequently rescheduled to April 27, 2017.<sup>1</sup>

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<sup>1</sup> See Motion to Reschedule Prehearing Conference (Mar. 21, 2017), Prehearing Officer Order Continuing Prehearing Conference (Mar. 21, 2017).

5. On June 13, 2017, the Commission issued an Order Setting Procedural Schedule establishing the following timelines:

Staff's Pre-filed Direct Testimony	July 24, 2017
Operator's Pre-filed Direct Testimony	July 31, 2017
Rebuttal Testimony	August 7, 2017
Evidentiary Hearing	August 17, 2017

6. On July 21, 2017, Operator returned the signed Settlement Agreement (Attachment A) and indicated a desire to settle these proceedings.

7. Staff believes the attached Settlement Agreement constitutes a reasonable resolution of all issues in this docket and respectfully requests it be approved. Furthermore, Staff requests the testimony deadlines and Evidentiary Hearing scheduled for August 17, 2017 be cancelled.

WHEREFORE, for the reasons set forth above, Staff respectfully requests the Commission approve the attached Settlement Agreement and cancel the remaining procedural schedule in this docket.

Respectfully submitted,



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Joshua D. Wright, #24118  
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 Ernie Pratt ("Operator") (License Pending) 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-3475-CMSC.

### A. Background

1. On January 17, 2017, Operator submitted a license application. The application was denied on January 18, 2017, because Mr. Pratt had two unplugged wells remaining on his recently-expired license #35165, and also because Staff believed Mr. Pratt was associated with Mico Oil & Gas, License #9102, which is suspended due to the Leland Murrow #2-91 ("the subject well"), API #15-011-22733, remaining on its expired license.

2. Operator has filed a Transfer of Operator ("T-I") form to transfer the two wells on license #35165 to his current license, which shall be processed simultaneous with the processing of his new license at issue in this docket, resolving that issue. Regarding the subject well, Operator accepts responsibility for it, but requests additional time to bring the subject well into compliance with K.A.R. 82-3-111. Staff is willing to enter into such an agreement.

### B. Terms of Settlement

3. Staff shall immediately process Operator's license application, resulting in Operator's license being granted through December 30, 2017. At that time, Operator may submit a license renewal application, which Staff shall review in its standard manner.

4. By October 31, 2017, Operator shall plug, return to service, or obtain temporary abandonment status for the subject well. If Operator fails to comply with this deadline, then Operator shall be assessed a \$1,000 penalty. If the subject well is not in compliance with K.A.R.

82-3-111 by being plugged, returned to service, or having temporary abandonment status by January 31, 2018, then Operator shall be assessed an additional \$5,000 penalty, and Staff may plug the well and assess the costs to Operator.

5. If Operator fails to comply with any deadline in Paragraph 4, or if penalties or costs are owed, then Staff shall suspend Operator's license until compliance is obtained and 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 penalty.

6. Operator agrees to waive its right to appeal the Commission's Order approving this Agreement, 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.

Commission Staff


By: 

Printed Name: Joshua D. Wright

Title: Litigation Counsel

Date: 7-21-17

Ernie D. Pratt

By: 

Printed Name: ERNIE D. PRATT

Title: INDIVIDUAL

Date: 07/21/17

**CERTIFICATE OF SERVICE**

I certify that on 7/21/17, 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:

Ernie D. Pratt  
PO Box 297  
Paola, KS 66071

and delivered by e-mail to:

Joshua D. Wright, Litigation Counsel  
KCC Wichita Central Office

Michael J. Duenes, Assistant General Counsel  
KCC Topeka Office

/s/ Paula J. Murray  
Paula J. Murray  
Legal Assistant  
Kansas Corporation Commission