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

In the matter of the failure of Barracuda) Operating Company (Operator) to comply with K.A.R. 82-3-120 and K.A.R. 82-3-133 by) operating under a suspended license.

Docket No.: 25-CONS-3246-CPEN CONSERVATION DIVISION License No.: 33593

MOTION TO APPROVE SETTLEMENT AGREEMENT

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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:

On January 28, 2025, the Commission issued a Shut-In Order against Operator for 1. violating K.A.R. 82-3-120 by conducting oil and gas operations on a suspended license, resulting in unlawful production under K.A.R. 82-3-133. The Shut-In Order assessed a \$10,000 penalty and directed Staff to shut-in all oil and gas operations of Operator until Operator came into compliance with the Penalty Orders in Dockets 25-CONS-3156-CPEN and 25-CONS-3169-CPEN, and its license was reinstated.

2. On February 4, 2025, Operator came into compliance with the Penalty Orders in both dockets, and its license was reinstated.

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. The Agreement requires Operator to pay the \$10,000 penalty over the course of eight months.

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 266 N. Main St., Ste. 220 Wichita, KS 67202 t.kimbrell@kcc.ks.gov

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the matter of the failure of Barracuda) Operating Company (Operator) to comply with K.A.R. 82-3-120 and K.A.R. 82-3-133 by) operating under a suspended license.

Docket No.: 25-CONS-3246-CPEN CONSERVATION DIVISION License No.: 33593

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into by and between the Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) and Operator (collectively referred to herein as the Parties). The effective date of this Agreement will be the date the Commission enters an order approving or amending the terms of the Agreement.

L BACKGROUND

On January 28, 2025, the Commission issued a Shut-In Order against Operator for 1. violating K.A.R. 82-3-120 by conducting oil and gas operations on a suspended license, resulting in unlawful production under K.A.R. 82-3-133. The Shut-In Order assessed a \$10,000 penalty and directed Staff to shut-in all oil and gas operations of Operator until (i) Operator complied with the Commission's Penalty Orders in Docket 25-CONS-3156-CPEN (Docket 25-3156) and Docket 25-CONS-3169-CPEN (Docket 25-3169) and (ii) Operator's license was reinstated.

2. On February 4, 2025, Operator came into compliance with the Penalty Orders in both Docket 25-3156 and Docket 25-3169, and its license was reinstated.

3. Subsequent to Operator's license being reinstated, the Parties discussed resolution of the underlying 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.

ATTACHMENT A

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. Operator stipulates that it violated K.A.R. 82-3-120 and K.A.R. 82-3-133.

6. As Operator has come into compliance with the Commission's Penalty Orders in Dockets 25-3156 and 25-3169 and its license has been reinstated, the Parties agree to seek Commission approval to schedule a payment plan for the \$10,000 monetary penalty imposed in this docket. Operator shall pay the \$10,000 penalty over the course of eight months. The first payment of \$1,250 shall be due on April 1, 2025. Payments of \$1,250 shall be due on the first day of every subsequent month, through and including November 1, 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 payment 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 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.

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ATTACHMENT A

Commission Staff

/s/Tristan Kimbrell

Tristan Kimbrell, #27720 Litigation Counsel Kansas Corporation Commission 266 N. Main St., Ste. 220 Wichita, KS 67202 <u>t.kimbrell@kcc.ks.gov</u>

Barracuda Operating Company

Signature: Cauglon Jabel
Printed Name: Cardyn Gabel
Title: Sectros
Date: 2-20-2025

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CERTIFICATE OF SERVICE

25-CONS-3246-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 February 27, 2025.

BRIAN GABEL BARRACUDA OPERATING COMPANY PO BOX 405 NESS CITY, KS 67560-0405 bgabel@gbta.net

JONATHAN R. MYERS, ASSISTANT GENERAL COUNSEL KANSAS CORPORATION COMMISSION 266 N. Main St., Ste. 220 WICHITA, KS 67202-1513 jon.myers@ks.gov TRISTAN KIMBRELL, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION CENTRAL OFFICE 266 N. MAIN ST, STE 220 WICHITA, KS 67202-1513 tristan.kimbrell@ks.gov

RICHARD WILLIAMS KANSAS CORPORATION COMMISSION DISTRICT OFFICE NO. 4 2301 E. 13TH STREET HAYS, KS 67601-2654 richard.williams@ks.gov

/s/ Paula J. Murray Paula J. Murray