

⁴ *Bright v. LSI Corp.*, 254 Kan. 853, 858 (1994).

THEREFORE, THE COMMISSION ORDERS:

A. Staff's motion to approve the attached Settlement Agreement is granted; the Settlement Agreement is approved.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁵

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Duffy, Commissioner; French, Commissioner

Dated: 09/08/2022



Lynn M. Retz
Executive Director

Mailed Date: 09/08/2022

JRM

⁵ K.S.A. 55-162; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

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

In the matter of the failure of LB Exploration, Inc. (Operator) to comply with K.A.R. 82-3-111 at the Larkin 14 #1 well in Barber County, Kansas.

) Docket No.: 23-CONS-3007-CPEN
)
) CONSERVATION DIVISION
)
) License No.: 33186

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.

I. BACKGROUND

1. On July 14, 2022, the Commission issued a Penalty Order against Operator for one violation of K.A.R. 82-3-111. The Commission found that Operator's Larkin 14 #1 well (Subject Well), API #15-007-23676-00-00, had been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for temporary abandonment (TA) status. The Penalty Order assessed a \$100 penalty, and directed Operator to plug the Subject Well, return the well to service, or obtain TA status for the well if eligible.

2. On August 15, 2022, Operator timely filed a request for hearing.

3. Subsequent to the issuance of the Penalty Order, 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.

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 committed one violation of K.A.R. 82-3-111.

6. Operator agrees that the Subject Well shall be plugged or returned to service by September 30, 2022. Operator also agrees to pay the \$100 penalty by September 30, 2022. Payment shall be sent to the following address:

Kansas Corporation Commission
Conservation Division
266 N. Main St., Ste. 220
Wichita, KS 67202-1513

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 the deadline for bringing the Subject Well into compliance with Commission regulations, or failure to pay the penalty by the deadline, will 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 Subject Well has been brought into compliance and the penalty has been paid.

9. Operator agrees to waive its right to appeal the Commission's order approving this Agreement, and any penalties assessed under 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
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Attorney for LB Exploration, Inc.

/s/Timothy E. McKee
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CERTIFICATE OF SERVICE

23-CONS-3007-CPEN

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of
first class mail and electronic service on 09/08/2022.

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/S/ KCC Docket Room

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