

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

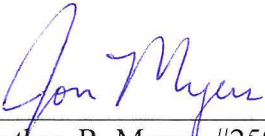
Before Commissioners: Shari Feist Albrecht, Chair
Jay Scott Emler
Pat Apple

In the matter of the failure of Lachenmayr Oil) Docket No.: 15-CONS-150-CPEN
LLC ("Operator") to comply with K.A.R. 82-)
3-400 at the Goodrich #101 and Schnitzler #5) CONSERVATION DIVISION
wells in Sedgwick County, Kansas.)
_____) License No.: 6804

**MOTION FOR THE COMMISSION TO ADOPT
A SETTLEMENT AGREEMENT**

Commission Staff moves for the Commission to adopt and approve the attached Settlement Agreement, which has been signed by both parties. Staff believes that the Settlement Agreement represents a fair and efficient 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
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SETTLEMENT AGREEMENT

This Settlement Agreement is between Lachenmayr Oil LLC (“Operator”) and the Staff of the Corporation Commission of the State of Kansas (“Staff”). The effective date of this Settlement Agreement shall be the date it is approved by an Order of the Commission. If the Commission does not approve this Settlement Agreement by a signed Order, this Settlement Agreement shall not be binding on either party. This Settlement Agreement shall settle the proceedings instituted in Commission Docket Number 15-CONS-150-CPEN.

A. Background

1. The August 12, 2014, Penalty Order in this docket required Operator to pay \$2,000 for two violations of K.A.R. 82-3-400. Operator filed a timely appeal.
2. Staff has identified a discrepancy in records regarding the Schnitzler #5 well. Staff recommends that the penalty regarding this well be rescinded.
3. Operator reports that it submitted erroneous data regarding the Goodrich #101. Operator has submitted an updated Annual Fluid Injection Report (“U3C”). Staff recommends that the penalty regarding this well should be reduced to \$500, due to the erroneous data submission.

B. Terms of Settlement

4. Instead of paying \$2,000, Operator shall pay \$500 in this docket, which shall be due within 30 days from the date this Settlement Agreement is approved by an Order of the Commission.
5. The Commission shall find Operator committed one violation of K.A.R. 82-3-409, rather than two violations of K.A.R. 82-3-400.

6. Operator agrees to waive its right to appeal any future orders of the Commission regarding this matter, or any suspension of Operator's license implemented by Commission Staff due to Operator's failure to comply with this Settlement Agreement.

C. Conclusion

Both parties believe that this Settlement Agreement represents a fair and appropriate resolution to the matters in this docket, and that the Settlement Agreement accomplishes the Commission's duty to enforce Kansas laws pertaining to the protection of usable waters and the prevention of pollution caused by oil and gas activities.

This Settlement Agreement has been agreed to by the undersigned:

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 10/8/14

Lachenmayr Oil LLC

By: John Lachenmayr

Printed Name: John Lachenmayr

Title: Manager

Date: 10/7/14

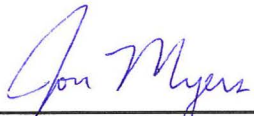
CERTIFICATE OF SERVICE

I certify that on 10/9/14, 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:

Howard Lachenmayr
John Lachenmayr
Lachenmayr Oil LLC
PO Box 526
Newton, Kansas 67114

And delivered by hand to:

Alan Snider
Conservation Division Central Office



Jonathan R. Myers
Litigation Counsel
Kansas Corporation Commission