

**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) Docket No. 17-CONS-3425-CMSC
License Renewal Application issued to)
Northstar Investments, Inc.) CONSERVATION DIVISION
)
_____) License No. 30601

ORDER APPROVING SETTLEMENT AGREEMENT

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, and being fully advised in the premises, the Commission finds and concludes as follows:

1. On December 14, 2016, Commission Conservation Staff (Staff) sent Northstar Investments, Inc. (Operator) a Notice of Denial of License Renewal Application. Operator timely requested an evidentiary hearing in this matter.¹

2. On May 11, 2017, the Commission issued its *Order Setting Procedural Schedule*, scheduling an evidentiary hearing for June 15, 2017.²

3. On May 18, 2017, Staff moved the Commission “to adopt and approve” a Settlement Agreement (Agreement) in this matter, “which has been signed by both parties.”³ The Agreement is attached to this Order and incorporated herein by reference.

4. Among other things, the Agreement calls for Staff to renew Operator’s license through December 30, 2017⁴ and for Operator either to have the subject well transferred to an active Commission operator’s license or plugged by December 30, 2017.⁵

¹ Request for Hearing (Dec. 19, 2016).

² *Order Setting Procedural Schedule*, ¶ 6 (May 11, 2017).

³ Motion to Approve Settlement Agreement (May 18, 2017).

⁴ *See* Agreement, ¶ 2.

⁵ *Id.*, ¶ 3.

5. The Commission affirms Staff's review and resolution concerning the well at issue. The Commission finds the attached Agreement represents an appropriate manner of resolving the issues addressed therein.

THEREFORE, THE COMMISSION ORDERS:

A. The Settlement Agreement is approved and incorporated into this Order.

B. The evidentiary hearing in this docket, scheduled for June 15, 2017, is cancelled.

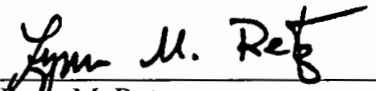
C. The parties have 15 days from the date of electronic service of this Order to petition for reconsideration.⁶

D. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: JUN 06 2017



Lynn M. Retz
Secretary to the Commission

MJD

⁶ K.S.A. 66-118b; K.S.A. 77-529(a)(1).

SETTLEMENT AGREEMENT

This Agreement is between Northstar Investments, Inc. ("Operator") (License #30601) and Commission Staff ("Staff"). If the Commission does not approve this Agreement by a signed order, this Agreement shall not be binding on either party. This Agreement shall settle the proceedings in Commission Docket Number 17-CONS-3425-CMSC.

A. Background

1. On December 14, 2016, Operator submitted a license renewal application. The application was denied on December 19, 2016, because individuals associated with Operator are also associated with H-30, Inc., License #5107, which has an unplugged well remaining on its expired and suspended license, in violation of Commission regulations. Operator timely appealed the denial of its license renewal application. Rather than engage in litigation, Operator and Staff agree to the following, which shall resolve the compliance issue regarding the unplugged well remaining on License #5107.

B. Terms of Settlement Agreement

2. Staff shall immediately process Operator's December 14, 2016, license renewal application, resulting in Operator's license being renewed through December 30, 2017.

3. Operator shall either cause the Jacobs A #1 ("the subject well"), API #15-063-20864, to be transferred to an active KCC operator's license, or shall cause the subject well to be plugged, by December 30, 2017. If Operator fails to comply with this deadline, then Operator shall be assessed a \$2,500 penalty.

4. If the subject well is not listed on an active KCC operator's license or plugged by January 31, 2018, then Operator shall be assessed an additional \$5,000 penalty and Staff may plug the subject well and assess the costs to Operator.

5. If Operator fails to comply with the deadline in Paragraph 3, or if penalties or costs are owed, then Staff shall suspend Operator's license until compliance is obtained and the penalties or costs are paid. 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 a 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: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 5/18/17

Northstar Investments, Inc.

By: Dean Britting

Printed Name: Dean Britting

Title: President

Date: May 17, 2017

CERTIFICATE OF SERVICE

I certify that on 6/6/17, I caused a complete and accurate copy of this Order to be served electronically and via United States mail, with the postage prepaid and properly addressed to the following:

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and delivered by e-mail to:

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Michael J. Duenes, Assistant General Counsel
KCC Topeka Office

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