

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

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

In the matter of the application of Kiowa Gas	)	Docket No.: 16-CONS-4020-CEXC
Company ("Operator") for an exception to the 10-	)	
year time limitation of K.A.R. 82-3-111 for its	)	CONSERVATION DIVISION
Eula May #2-16 well located in the SW/4 NE/4 of	)	
Section 16, Township 33 South, Range 22 West,	)	License No.: 33995
Clark County, Kansas.	)	

**ORDER APPROVING SETTLEMENT AGREEMENT**

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

**I. FINDINGS OF FACT**

1. On October 7, 2016, Commission Staff filed a motion requesting Commission approval of a Settlement Agreement. The Settlement Agreement is attached as an exhibit to this Order and incorporated by reference.
2. The Settlement Agreement provides a fair, appropriate resolution of this matter.

**II. CONCLUSIONS OF LAW**

3. The Commission concludes that the Settlement Agreement should be approved.

**THEREFORE, THE COMMISSION ORDERS:**

- A. The Settlement Agreement is approved.
- B. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita,

Kansas 67202. Pursuant to K.S.A. 55-606 and K.S.A. 77-529(a), reconsideration is a prerequisite for judicial review of this Order. Any party taking an action permitted by this summary proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

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

**BY THE COMMISSION IT IS SO ORDERED.**

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: OCT 18 2016

  
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Amy L. Green  
Secretary to the Commission

Mailed Date: October 18, 2016

JRM

## **SETTLEMENT AGREEMENT**

This Agreement is between Kiowa Gas Company ("Operator") (License #33995) 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 16-CONS-4020-CEXC

### **A. Background**

1. Operator is responsible for the Eula May 2-16, API #15-025-20936-00-01 ("the subject well"), which is out of compliance with K.A.R. 82-3-111. Operator would like additional time to avoid penalties while Operator works to plug the subject well, return it to service, or obtain temporary abandonment status for it. Staff is supportive of such an agreement.

### **B. Terms of Compliance Agreement**

2. By March 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 and Staff may plug the well and assess the costs to Operator.

3. If Operator fails to comply with the deadline in Paragraph 2, 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.

4. 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. The terms of this Agreement shall remain binding upon Operator even if its interests in the subject well are conveyed.

5. Except as described by this Agreement, Staff will not pursue Operator for any violation of K.A.R. 82-3-111 at the subject well that occurred or occurs prior to March 31, 2017,

except if the well is brought into compliance after Commission approval of this Agreement and again falls out of compliance.

Commission Staff


By: 

Printed Name: John McCannon

Title: Litigation Counsel

Date: 10/7/14

Kiowa Gas Company

By: 

Printed Name: Todd Moore

Title: President

Date: 10/4/16

**CERTIFICATE OF SERVICE**

I certify that on October 18, 2016, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

Todd Moore  
Kiowa Gas Company  
8150 N. Central Expwy., Suite 750  
Dallas, Texas 75206

And delivered by email to:

John McCannon  
Conservation Division Central Office

Scott Alberg  
KCC District #1

/s/ Cynthia K. Maine  
Cynthia K. Maine  
Administrative Assistant  
Kansas Corporation Commission