

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

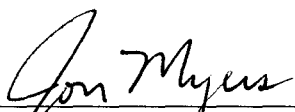
Before Commissioners: Shari Feist Albrecht, Chair
Jay Scott Emler
Pat Apple

In the matter of the failure of PetroSantander) Docket No.: 15-CONS-918-CPEN
(USA) Inc. ("Operator") to report activity that)
occurred during the 2014 calendar year in) CONSERVATION DIVISION
compliance with K.A.R. 82-3-409.)
_____) License No.: 32198

**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. If the Commission approves the Settlement Agreement, then the Prehearing Conference scheduled for August 4, 2015 will no longer be necessary. 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; Fax: 316-337-6106

SETTLEMENT AGREEMENT

This Settlement Agreement is between PetroSantander (USA) Inc. (“Operator”) (License #32198) 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, then this Settlement Agreement shall not be binding on either party. This Settlement Agreement shall settle the proceedings in Commission Docket Number 15-CONS-918-CPEN.

A. Background

1. On June 2, 2015, the Commission issued a Penalty Order in this docket, requiring Operator to pay \$600 for six violations of K.A.R. 82-3-409 and to submit Annual Fluid Injection (“U3C”) Forms for six wells. On June 29, 2015, Operator filed a timely appeal.

2. Staff reports that the necessary U3C Forms have been submitted. Staff and Operator believe that settlement of this matter would be preferable to protracted litigation.

B. Terms of Settlement

3. The \$600 penalty in this docket is reduced to \$300, which Operator shall pay by August 21, 2015. If Operator fails to comply with this deadline, then Staff is directed to assess an additional \$1,000 penalty.

4. If Operator fails to comply with the deadline in Paragraph 3, then Staff shall suspend Operator’s license until compliance is obtained and any additional penalty or penalties are paid. If Staff suspends Operator’s license, then Staff shall send its standard notice of license suspension letter to Operator.

5. 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 is directed to assess an additional \$10,000 penalty.

6. Operator agrees to waive its right to appeal any suspension of Operator's license implemented by Staff, or any additional penalty assessed 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: 7/22/15

PetroSantander (USA) Inc.

By: William F. Aspinwall

Printed Name: William F. Aspinwall

Title: Land Manager

Date: 22 July 2015

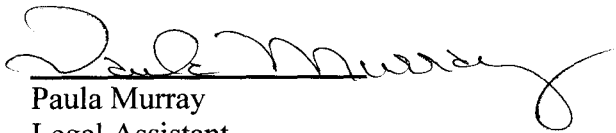
CERTIFICATE OF SERVICE

I certify that on 7/23/15, 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:

Jeff Kennedy
Martin, Pringle et al.
100 North Broadway, Suite 500
Wichita, Kansas 67202
Attorney for PetroSantander (USA) Inc.

And delivered by hand to:

Lane Palmateer, KCC Wichita Central Office

A handwritten signature in black ink, appearing to read "Paula Murray", is written over a horizontal line.

Paula Murray
Legal Assistant
Kansas Corporation Commission