

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Susan K. Duffy

In the matter of the failure of Renegade) Docket No: 21-CONS-3307-CPEN
Resources Corporation (Operator) to comply)
with K.A.R. 82-3-120 and K.A.R. 82-3-133 by) CONSERVATION DIVISION
operating under a suspended license.)
_____) License No: 30068

ORDER APPROVING SETTLEMENT AGREEMENT

The Commission rules as follows:

1. On June 22, 2021, the Commission issued a Shut-In Order against Operator for violations of K.A.R. 82-3-120 and K.A.R. 82-3-133. The Order assessed a \$10,000 penalty and directed Commission Staff to shut-in Operator's operations until (1) Operator complied with the Penalty Order in Docket 21-CONS-3155-CPEN, and (2) Operator's license was reinstated.¹
2. On July 9, 2021, Operator requested a hearing.²
3. On September 29, 2021, Commission Staff filed a Motion to Approve Settlement Agreement. In relevant part, the Settlement Agreement provides a twelve-month payment plan for the \$10,000 penalty, noting that Operator has come into compliance with the Penalty Order and that Operator's license has been reinstated.³
4. The law encourages settlement.⁴ The Commission finds the Settlement Agreement attached to Staff's Motion to Approve Settlement Agreement constitutes a fair and reasonable resolution of this proceeding. The Settlement Agreement is attached to and made part of this Order.

¹ See Shut-In Order, Ordering Clauses A, B (Jun. 22, 2021).

² See Request for Hearing (Jul. 9, 2021).

³ Motion to Approve Settlement Agreement, at Settlement Agreement ¶¶ 3, 7 (Sep. 29, 2021).

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. The procedural schedule in this docket is cancelled.

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.

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 10/05/2021



Lynn M. Retz
Executive Director

Mailed Date: 10/05/2021

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 Renegade Resources Corporation (Operator) to comply with K.A.R. 82-3-120 and K.A.R. 82-3-133 by operating under a suspended license.) Docket No.: 21-CONS-3307-CPEN
)
) CONSERVATION DIVISION
)
) License No.: 30068

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 June 22, 2021, the Commission issued a Penalty Order against Operator for violating K.A.R. 82-3-120 by conducting oil and gas operations on a suspended license, resulting in unlawful production under K.A.R. 82-3-133. The Penalty Order assessed a \$10,000 penalty, and directed Staff to shut-in and seal all oil and gas operations of Operator until (i) Operator complied with the Commission's Penalty Order in Docket 21-CONS-3155-CPEN (Docket 21-3155), and (ii) Operator's license was reinstated.

2. On July 9, 2021, Operator timely filed a request for hearing.

3. On August 11, 2021, Operator came into compliance with the Commission's Penalty Order in Docket 21-3155. Operator's license was reinstated on the same date.

4. On August 12, 2021, a prehearing conference was held. Subsequent to the prehearing conference, 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

5. 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.

6. Operator stipulates that it violated K.A.R. 82-3-120 and K.A.R. 82-3-133.

7. As Operator has come into compliance with the Commission's Penalty Order in Docket 21-3155 and its license has been reinstated, the Parties agree to seek Commission approval to schedule a payment plan for the \$10,000 monetary penalty imposed in this docket. Operator shall pay \$833.34 at the beginning of twelve consecutive months, beginning November 1, 2021. Failure to meet any deadline will result in the full remaining balance becoming due. Payments shall be sent to the following address:

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

8. 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.

9. Failure to timely pay will result in suspension of Operator's license. Operator agrees and understands that if its license is suspended for the failure to meet the deadlines above, the license shall remain suspended until a total of \$10,000 in monetary penalties has been paid in this docket.

III. RESERVATIONS

10. This Agreement fully resolves the issues specifically addressed between the Parties in this docket. The terms of this Agreement constitute a fair and reasonable resolution of the issues addressed herein.

11. The terms and provisions of this Agreement have resulted from negotiations between the Parties and are interdependent. In the event the Commission does not approve the terms of the Agreement in total, any Party has the option to terminate this Agreement.

12. Unless otherwise specified in this Agreement, the Parties shall not be prejudiced, bound by, or affected in any way by the terms of this Agreement: (1) in any future Commission or court proceeding; (2) in any proceeding currently pending before the Commission under a separate docket; and/or (3) in this proceeding, even if the Commission decides to not approve this Agreement in total or in any way conditions its approval of the same. This paragraph is not meant to limit future enforcement of this Agreement, should either Party fail to fulfill all terms and provisions.

13. Further, this Agreement does not waive any party's legal rights, positions, claims, assertions or arguments in this docket, or any other proceeding before the Commission or in any court.

14. If the Commission approves this Agreement in its entirety and incorporates the same into a final order in this docket, the Parties agree not to appeal the Commission's order.

15. This agreement shall be binding on all Parties upon signing.

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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CERTIFICATE OF SERVICE

21-CONS-3307-CPEN

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of
electronic service on 10/05/2021.

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KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 3
137 E. 21ST STREET
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/S/ Desirae Mayfield

Desirae Mayfield