

**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 KC Resources,) Docket No.: 15-CONS-766-CPEN
Inc. dba Crystal River ("Operator") to comply)
with K.A.R. 82-3-407 at the Cunningham B) CONSERVATION DIVISION
Unit #41 and Cunningham B Unit #46 in)
Barber County, Kansas.) License No.: 3880

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 Settlement Agreement is accepted, there will no longer be a need for the currently-scheduled June 18, 2015, evidentiary hearing in this matter. 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
130 S. Market, Room 2078
Wichita, Kansas 67202
Phone: 316-337-6200
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SETTLEMENT AGREEMENT

This Settlement Agreement is between KC Resources, Inc. dba Crystal River ("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, then this Settlement Agreement shall not be binding on either party. This Settlement Agreement shall settle the proceedings instituted in Commission Docket Number 15-CONS-766-CPEN.

A. Background

1. The March 19, 2015, Penalty Order in this docket required Operator to pay \$2,000 for a total of two violations of K.A.R. 82-3-407. Operator filed a timely appeal.
2. Operator has brought the two wells at issue into compliance with K.A.R. 82-3-407. Staff recommends that the penalty regarding these wells should be reduced.

B. Terms of Settlement

3. Instead of paying \$2,000, Operator shall pay \$1,000 in this docket, which shall be due within 30 days from the date this Settlement Agreement is approved by an Order of the Commission. If Operator fails to comply with the payment deadline, then Staff shall suspend Operator's license until compliance is obtained. Operator agrees to waive its right to appeal 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.

This Settlement Agreement has been agreed to by the undersigned:

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 5/15/15

KC Resources, Inc. dba Crystal River

By: Jeffrey A. Wilson

Printed Name: Jeffrey A. Wilson

Title: Authorized Agent and Attorney

Date: 5/15/15


CERTIFICATE OF SERVICE

I certify that on 5/18/15, 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:

Jeffrey A. Wilson
Anderson & Byrd, LLP
216 S. Hickory
P.O. Box 17
Ottawa, Kansas 66067
Attorney for KC Resources dba Crystal River

And delivered by hand to:

Lane Palmateer
Conservation Division Central Office



Paula Murray
Legal Assistant
Kansas Corporation Commission