

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

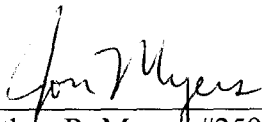
Before Commissioners: Jay Scott Emler, Chairman
Shari Feist Albrecht
Pat Apple

In the matter the failure of Loewen) Docket No.: 16-CONS-4076-CPEN
Operator, Inc. ("Operator") to comply with)
K.A.R. 82-3-400 regarding injection that) CONSERVATION DIVISION
took place during the 2015 calendar year.)
_____) License No.: 5631

MOTION TO APPROVE SETTLEMENT AGREEMENT

Commission Staff moves for the Commission to adopt and approve the attached Settlement Agreement, which has been signed by both parties. Staff believes the Agreement represents an appropriate 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: 316-337-6211

SETTLEMENT AGREEMENT

This Agreement is between Loewen Operator, Inc. (“Operator”) (License #5631) and Commission Staff (“Staff”). If the Commission does not approve this Agreement by a signed Order, then this Agreement shall not be binding on either party. This Agreement shall settle the proceedings in Commission Docket Number 16-CONS-4076-CPEN.

A. Background

1. The June 9, 2016, Penalty Order in this docket required Operator to pay \$1,000 for one violation of K.A.R. 82-3-400. Operator filed a timely appeal.
2. Operator reports that it submitted erroneous data regarding the well at issue. Operator has submitted an updated Annual Fluid Injection Report (“U3C”).
3. Staff recommends that the penalty in this docket should be reduced to \$500, due to the erroneous data submission.

B. Terms of Settlement

4. Instead of paying \$1,000, Operator shall pay \$500 in this docket, which shall be due within 30 days from the date this Agreement is approved by an Order of the Commission.
5. The Commission shall find Operator committed one violation of K.A.R. 82-3-409, rather than one violation of K.A.R. 82-3-400.
6. If Operator fails to comply with the payment deadline, then Staff shall suspend Operator’s license until compliance is obtained. 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 the 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.

7. Operator agrees to waive its right to appeal any future orders of the Commission regarding this matter, any penalties assessed under this Agreement, and any suspension of Operator's license implemented due to Operator's failure to comply with this Agreement.

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 8/18/16

Loewen Operator, Inc.

By: Douglas D. Loewen

Printed Name: Douglas D. Loewen

Title: President

Date: 8-18-2016

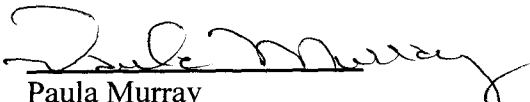
CERTIFICATE OF SERVICE

I certify that on 8/19/16, 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:

Douglas D. Loewen
Loewen Operator, Inc.
208 S. Main
P.O. Box 335
Canton, Kansas 67428

And delivered by email to:

John McCannon
Conservation Division Central Office


Paula Murray
Legal Assistant
Kansas Corporation Commission
