

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

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

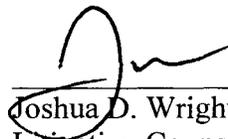
In the matter of a Compliance Agreement) Docket No.: 17-CONS-3628-CMSC
between Randon Production Company, Inc.)
(Operator) and Commission Staff regarding) CONSERVATION DIVISION
bringing the subject wells in Dickinson,)
Marion, and Morris County into compliance) License No.: 33005
with K.A.R. 82-3-111.)

**MOTION FOR THE COMMISSION TO ADOPT
A COMPLIANCE AGREEMENT**

Commission Staff moves for the Commission to adopt and approve the attached Compliance Agreement, which has been signed by both parties. Staff believes the Compliance Agreement represents an appropriate manner of resolving the issues described therein.

An additional unsigned high resolution copy is included for reference purposes.

Respectfully submitted,



Joshua D. Wright, #24118
Litigation Counsel
Kansas Corporation Commission
266 N. Main, Suite 220
Wichita, Kansas 67202
Phone: 316-337-6200; Fax: 316-337-6211

COMPLIANCE AGREEMENT

This Agreement is between Randon Production Company, Inc. ("Operator") (License #33005) 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.

A. Background

1. Operator is responsible for the 63 wells ("the subject wells") on the attached lists. All of the wells are out of compliance with K.A.R. 82-3-111. Operator has asked for an agreement to avoid penalties while Operator works to plug the wells, return them to service, or obtain temporary abandonment status for them. Staff is supportive of an agreement.

B. Terms of Compliance Agreement

2. By June 30, 2017, Operator shall plug, return to service, or apply for temporary abandonment status for all of the subject wells on "List of Wells A". By July 31, 2017, Operator shall plug, return to service, or obtain temporary abandonment status for 3 of the subject wells on "List of Wells B". Operator shall plug, return to service, or obtain temporary abandonment status for an additional 3 of the subject wells on "List of Wells B" each three calendar months thereafter, resulting in all subject wells being returned to compliance by October 31, 2020.

3. If Operator fails to comply with any deadline described in Paragraph 2, then Operator shall be assessed a \$1,000 penalty for each missed deadline. If any of the subject wells on "List of Wells B" are not in compliance with K.A.R. 82-3-111 by being plugged, returned to service, or having temporary abandonment status, by January 31, 2021, then Operator shall be assessed an additional \$2,500 penalty, and Staff may plug the wells and assess the costs to Operator.

4. If Operator fails to comply with any of the above paragraphs, 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.

5. Operator agrees to waive its right to appeal any future orders of the Commission regarding this matter, 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 wells are conveyed. However, any subject well transferred to another operator and then brought into

compliance with K.A.R. 82-3-111 shall no longer be the responsibility of Operator under this Agreement, and shall count towards Operator meeting its compliance obligations under this Agreement.

6. Except as described by this Agreement, Staff will not pursue Operator for any violation of K.A.R. 82-3-111 at the subject wells that occurred or occurs prior to January 31, 2021, except for wells brought into compliance after Commission approval of this Agreement that again fall out of compliance that remain on Operator's license.

7. If Staff discovers additional wells, not listed on Operator's well inventory, on leases where wells subject to this Agreement are currently located, then this Agreement may be amended to add such additional wells with the written consent of both Operator and Staff. If this Agreement is amended then Staff must file a statement to that effect in the Commission docket that will be created for this matter, also stating that Operator is not opposed to the addition of the wells. The addition of wells will not change the number of wells to be brought into compliance each calendar quarter, but may extend the final compliance deadline.

8. Once this Agreement has been in effect for two years, Staff may reopen negotiation with Operator about the terms of this Agreement at any time, upon giving Operator written notice of Staff's intent to do so. If Staff and Operator are unable to agree to new terms, and to submit those terms to the Commission for approval, within 90 days of Staff's written notice, then this Agreement shall be null and void upon Staff filing a statement to that effect in the Commission docket that will be created for this matter.

Commission Staff

Randon Production Company, Inc.

By: Joshua D. Wright

By: Kathleen I. Svitek

Printed Name: Joshua D. Wright

Printed Name: Kathleen I. Svitek

Title: Litigation Counsel

Title: owner/Sec

Date: 7-24-17

Date: 4-21-17

Randon Production Company, Inc.

License: 33005

List of Wells "A"

	API WELL #	Well Name	WH_QTR	SEC	TWPN	RNGN	E / W	County
1	15115190600000	C REZNICEK 1	NENENW	22	17	4	E	Marion
2	15115301010000	CHRISTNER 1	SESE	13	17	4	E	Marion
3	15115202000000	CHRISTNER 3	NWSE	13	17	4	E	Marion
4	15115206710000	EMMA STIKA 3	W2N2NW	22	18	4	E	Marion
5	15115208510000	EMMA STIKA 4	SESENW	22	18	4	E	Marion
6	15115190200000	HAAS - A 1	W2NWNE	15	18	4	E	Marion
7	15115005820000	HENKE 1	NENWSW	34	17	4	E	Marion
8	15115190570000	HENKE 1-1	NESWSW	34	17	4	E	Marion
9	15115190190000	HOLSCHER 1	NENWNE	22	17	4	E	Marion
10	15115202280000	MEIER 3	E2E2SW	10	18	4	E	Marion
11	15115204310001	MEIER 4	NWNWSW	10	18	4	E	Marion
12	15115190210000	NAVRAT, MIKE 3	E2NWNE	16	18	4	E	Marion
13	15115190220000	NAVRAT, MIKE 4	SENWNE	16	18	4	E	Marion
14	15115214460001	ROERHMAN A-2	N2S2NESE	22	17	4	E	Marion
15	15115213130000	ROERHRMANN A-1	NENESE	22	17	4	E	Marion
16	15115201990000	SETTERGRAM 1	SWNE	13	17	4	E	Marion
17	15127200650000	SETTERGRAN B 1	SWNW	18	17	5	E	Morris
18	15127205790000	SETTERGRAN B 3	SWSWNW	18	17	5	E	Morris
19	15115190690000	SKLENAR A 3	W2SWSW	23	17	4	E	Marion
20	15115190580000	STIKA, PETER 1	NENESE	16	18	4	E	Marion
21	15115190590000	STIKA, PETER 2	N2NWSE	16	18	4	E	Marion
22	15115213450000	SVITAK A 1	N2S2NWSW	15	18	4	E	Marion

Randon Production Company, Inc.
License: 33005
List of Wells "B"

	API WELL #	Well Name	WH_QTR	SEC	TWPN	RNGN	E / W	County
1	15041190030000	BIEHLER, JOHN B-1	SWNWNE	34	16	4	E	Dickinson
2	15115191800000	COWMAN 1	SENWNESW	11	17	4	E	Marion
3	15115007810000	COWMAN 2	SWSWSW	11	17	4	E	Marion
4	15115191810000	COWMAN 5	SWSENESE	11	17	4	E	Marion
5	15115200790000	COWMAN 7	NWSESW	11	17	4	E	Marion
6	15115202270000	COWMAN 8	SWSESW	11	17	4	E	Marion
7	15041190140000	DAETWILER 2	W2SE	34	16	4	E	Dickinson
8	15115203720000	EMMA STIKA 2	SWSWNW	22	18	4	E	Marion
9	15115192470000	FRANTA 2	NESE	9	18	4	E	Marion
10	15115190180000	FRANTA GEORGE 1	SWSWSE	9	18	4	E	Marion
11	15115205290000	HENKE 4	S2W2SW	34	17	4	E	Marion
12	15115301000000	IRVIN DAETWILER 2	NESWNWNE	11	17	4	E	Marion
13	15041190310000	JOHN BIEHLER 9	E2SWNE	34	16	4	E	Dickinson
14	15115190640000	KRCH A 1	SWNW	15	18	4	E	Marion
15	15115190630000	KRCH B 1	N2NW	15	18	4	E	Marion
16	15115203410000	MARTIN 1	E2NENE	10	17	4	E	Marion
17	15115201280000	MARTIN-KITCH 10	NWSWSW	2	17	4	E	Marion
18	15115201410000	MARTIN-KITCH 11	SWNWSW	2	17	4	E	Marion
19	15115190610000	MARY STIKA 1	S2SWSW	10	18	4	E	Marion
20	15115204360000	MEULI 1	SWSWNW	11	17	4	E	Marion
21	15127190020000	NELSON 1	SWSWNE	15	17	5	E	Morris
22	15127190030000	NELSON 3	W2W2NE	15	17	5	E	Morris
23	15115190230000	NOVAK 1	SESWSW	24	17	4	E	Marion
24	15115201030000	NOVAK 2	SESW	24	17	4	E	Marion
25	15115210460000	PAGENKOPF 1	NWSE	26	17	4	E	Marion

Randon Production Company, Inc.
License: 33005
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26	15115001260000	PODSZUS 1	NWSE	10	18	4	E	Marion
27	15115190240000	PODSZUS 2	SWSWSE	10	18	4	E	Marion
28	15115200400000	PODSZUS 3	SWNWSE	10	18	4	E	Marion
29	15115203840000	PODSZUS 4	NENESE	10	18	4	E	Marion
30	15115203860000	PODSZUS 5	SESESE	10	18	4	E	Marion
31	15115201220000	POSPISIL 2	NWNW	11	17	4	E	Marion
32	15115205990000	R MARTIN 2	S2S2NE	10	17	4	E	Marion
33	15115208380000	R MARTIN 3	W2E2NE	10	17	4	E	Marion
34	15127200750000	REMY 1	SWSWNW	15	17	5	E	Morris
35	15115190670000	REZNICEK, WEST 4	W2W2NW	22	17	4	E	Marion
36	15115192190000	SKLENAR 1 (A)	W2NWSW	23	17	4	E	Marion
37	15115203710000	SRAJER 1	NWSE	34	17	4	E	Marion
38	15115204280000	SRAJER 2	E2E2SE	34	17	4	E	Marion
39	15115190300000	STIKA, CHARLES 1	SENESE	16	18	4	E	Marion
40	15115190310000	STIKA, CHARLES 3	SWNESE	16	18	4	E	Marion
41	15041001180001	UTECH 1	NENESE	35	16	4	E	Dickinson

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A. Background

1. Operator is responsible for the 63 wells (“the subject wells”) on the attached lists. All of the wells are out of compliance with K.A.R. 82-3-111. Operator has asked for an agreement to avoid penalties while Operator works to plug the wells, return them to service, or obtain temporary abandonment status for them. Staff is supportive of an agreement.

B. Terms of Compliance Agreement

2. By June 30, 2017, Operator shall plug, return to service, or apply for temporary abandonment status for all of the subject wells on “List of Wells A”. By July 31, 2017, Operator shall plug, return to service, or obtain temporary abandonment status for 3 of the subject wells on “List of Wells B”. Operator shall plug, return to service, or obtain temporary abandonment status for an additional 3 of the subject wells on “List of Wells B” each three calendar months thereafter, resulting in all subject wells being returned to compliance by October 31, 2020.

3. If Operator fails to comply with any deadline described in Paragraph 2, then Operator shall be assessed a \$1,000 penalty for each missed deadline. If any of the subject wells on “List of Wells B” are not in compliance with K.A.R. 82-3-111 by being plugged, returned to service, or having temporary abandonment status, by January 31, 2021, then Operator shall be assessed an additional \$2,500 penalty, and Staff may plug the wells and assess the costs to Operator.

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Commission Staff

Randon Production Company, Inc.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Randon Production Company, Inc.

License: 33005

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Randon Production Company, Inc.
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41	15041001180001	UTECH 1	NENESE	35	16	4	E	Dickinson

CERTIFICATE OF SERVICE

I certify that on 4/24/17, 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:

Randy or Kathleen Svitak
Randon Production Company Inc.
2863 Sunflower
Marion Kansas 66861

and delivered by e-mail to:

Dan Fox
KCC District 2

Joshua D. Wright, Litigation Counsel
KCC Central Office

/s/ Paula J. Murray
Paula J. Murray
Legal Assistant
Kansas Corporation Commission