

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

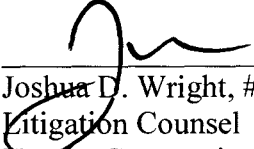
Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the matter of the failure of Pride Energy) Docket No.: 17-CONS-3448-CPEN
Company, a General Partnership ("Operator"))
to comply with K.A.R. 82-3-111 at the) CONSERVATION DIVISION
Mildred Sims ETAL #1 and Carthage NE)
Morrow A Unit #1-4 wells in Barber and) License No.: 32192
Morton County, Kansas.

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,



Joshua D. Wright, #24118
Litigation Counsel
Kansas Corporation Commission
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Wichita, Kansas 67202
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SETTLEMENT AGREEMENT

This Agreement is between Pride Energy Company, a General Partnership ("Operator") (License #32192) 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 17-CONS-3448-CPEN.

A. Background

1. On January 24, 2017, the Commission issued a Penalty Order assessing a \$200 penalty, finding two violations of K.A.R. 82-3-111, and directing Operator to either return the Carthage NE Morrow A Unit #1-4 and Mildred Sims ETAL #1 wells to service, plug them, or obtain temporary abandonment status for them.

2. Operator timely appealed the Penalty Order and paid the \$200 penalty. Operator has filed a 10-year TA exception application for the Carthage NE Morrow A Unit #1-4 (KCC Docket #17-CONS-3519-CEXC) and a Well Plugging Application for the Mildred Sims ETAL #1. Any remaining compliance issue regarding the Carthage NE Morrow A Unit #1-4 can be handled via Docket 17-CONS-3519-CEXC, leaving the Mildred Sims ETAL #1 as the only issue left in this docket. Operator admits to the violations in the Penalty Order, but requests additional time to plug the Mildred Sims ETAL #1. Staff finds the request to be acceptable.

B. Terms of Settlement

3. By May 31, 2017, Operator shall plug, return to service, or obtain temporary abandonment status for the Mildred Sims ETAL #1, API #15-007-00058.

4. If Operator fails to comply with the deadline in Paragraph 3, then Operator shall be assessed an additional \$1,000 penalty. If the Mildred Sims ETAL #1 is not in compliance with K.A.R. 82-3-111 by being plugged, returned to service, or having temporary abandonment status by June 30, 2017, then Operator shall be assessed an additional \$2,500 penalty, and Staff may plug the well and assess the costs to Operator.

5. 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.

6. Operator agrees to waive its right to appeal the Commission's Order approving this Agreement, any penalties assessed under this Agreement, and any suspension of Operator's license implemented by Staff due to Operator's failure to comply with this Agreement.

Commission Staff

Pride Energy Company,
a General Partnership

By: Joshua D. Wright
Printed Name: Joshua D. Wright

Title: Litigation Counsel

Date: 4-14-17

By: Taylor Pride
Printed Name: TAYLOR PRIDE

Title: SPECIAL PROJECTS COORDINATOR

Date: 4/14/17

CERTIFICATE OF SERVICE

I certify that on 4/17/17, 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:

Matthew L. Pride
Pride Energy Company, a General Partnership
PO Box 701950
Tulsa, OK 74170-1950

and delivered by e-mail to:

Steve Pfeifer
KCC District #1

Jonathan R. Myers, Litigation Counsel
KCC Central Office

Dustin L. Kirk, Deputy General Counsel
KCC Topeka Office

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