# THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:	Shari Feist A Jay Scott Er Pat Apple			
In the matter of the failure of Petros (USA) Inc. ("Operator") to report a	,	)	Docket No.:	15-CONS-918-CPEN
occurred during the 2014 calendar year compliance with K.A.R. 82-3-409.	•	) )	CONSERVA	TION DIVISION
_	,	)	License No ·	32198

#### ORDER APPROVING SETTLEMENT AGREEMENT

The above-captioned matter comes before the State Corporation Commission of the State of Kansas. Having examined the files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

- 1. The Staff of the Kansas Corporation Commission and the captioned operator have executed a settlement agreement, which is attached to and incorporated into this Order.
- 2. The Commission finds and concludes that the settlement agreement provides a fair and efficient resolution of the issues in this docket.

#### THEREFORE, THE COMMISSION ORDERS:

- A. The attached Settlement Agreement is approved and incorporated into this Order.
- B. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita, Kansas 67202. Pursuant to K.S.A. 55-606 and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action permitted by this summary

proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

### BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated:	JUL 3 0 2015	Amy Galbert		
		Amy L. Gilbert Secretary to the Commission		
Mailed Date:	July 30, 2015			

LRP

#### SETTLEMENT AGREEMENT

This Settlement Agreement is between PetroSantander (USA) Inc. ("Operator") (License #32198) 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 in Commission Docket Number 15-CONS-918-CPEN.

#### A. Background

- 1. On June 2, 2015, the Commission issued a Penalty Order in this docket, requiring Operator to pay \$600 for six violations of K.A.R. 82-3-409 and to submit Annual Fluid Injection ("U3C") Forms for six wells. On June 29, 2015, Operator filed a timely appeal.
- 2. Staff reports that the necessary U3C Forms have been submitted. Staff and Operator believe that settlement of this matter would be preferable to protracted litigation.

#### B. Terms of Settlement

- 3. The \$600 penalty in this docket is reduced to \$300, which Operator shall pay by August 21, 2015. If Operator fails to comply with this deadline, then Staff is directed to assess an additional \$1,000 penalty.
- 4. If Operator fails to comply with the deadline in Paragraph 3, then Staff shall suspend Operator's license until compliance is obtained and any additional penalty or penalties are paid. If Staff suspends Operator's license, then Staff shall send its standard notice of license suspension letter to Operator.
- 5. 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 is directed to assess an additional \$10,000 penalty.

6. Operator agrees to waive its right to appeal any suspension of Operator's license implemented by Staff, or any additional penalty assessed 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, and that the Settlement Agreement accomplishes the Commission's duty to enforce Kansas laws pertaining to the protection of usable waters and the prevention of pollution caused by oil and gas activities.

This Settlement Agreement has been agreed to by the undersigned:

Commission Staff	PetroSantander (USA) Inc.
By: Jon Whyers	By: MASSILLE
Printed Name: JON MYERS	Printed Name: William F. Aspinwall
Title: LITIGATION COUNSEL	Title: Land Manager
Date: 7/22/15	Date: 22 July 2015

## **CERTIFICATE OF SERVICE**

I certify that on	July 30, 2015	, I caused a complete and accurate copy
of this Order to be served	via United States mai	l, with the postage prepaid and properly
addressed to the following	•	

Jeff Kennedy Martin Pringle Oliver Wallace & Bauer 100 N. Broadway, Ste. 500 Wichita, Kansas 67202 Attorney for the Appellant

Liliana Hernandez PetroSantander (USA) Inc. 6363 Woodway Drive, Suite 350 Houston, TX 77057

and hand-delivered to:

Jonathan R. Myers Rene Stucky KCC Central Office

/s/ Lane R. Palmateer
Lane R. Palmateer
Litigation Counsel
Kansas Corporation Commission