

**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-3651-CMSC
between Perkins Oil Enterprises (Operator) and)
Commission Staff regarding bringing the) CONSERVATION DIVISION
subject wells in Chautauqua and Elk Counties)
into compliance with K.A.R. 82-3-111.) License No.: 4448

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.

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 Perkins Oil Enterprises, Inc. ("Operator") (License #4448) 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 138 wells ("the subject wells") on the attached list. The subject 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 subject 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 July 31, 2017, Operator shall plug, return to service, or obtain temporary abandonment status for 3 of the subject wells. Operator shall plug, returned to service, or obtain temporary abandonment status for an additional 3 subject wells within each three calendar months thereafter, resulting in all subject wells being returned to compliance by October 31, 2028.

3. If Operator fails to comply with any deadline in paragraph 2, then Operator shall be assessed a \$1,000 penalty for each missed deadline. If any of the subject wells 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, 2029, 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 herein, 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, 2029, 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

Perkins Oil Enterprises, Inc.

By: Joshua D. Wright
Printed Name: Joshua D. Wright
Title: Litigation Counsel
Date: 5-8-17

By: James A. Perkins
Printed Name: James A. Perkins
Title: President
Date: 4-26-2017

Perkins Oil Enterprises, Inc.

License #4448

List of Wells

	API Number	Lease Name	Well No.	Sec	Twp	Rge	E-W	County
1	15-019-20479-0000	BALLARD	1	30	33	13	E	Chautauqua
2	15-019-21254-0000	BALLARD	1-A	30	33	13	E	Chautauqua
3	15-019-25946-0000	BALLARD	13-D	20	33	13	E	Chautauqua
4	15-019-25956-0000	BALLARD	14-D	20	33	13	E	Chautauqua
5	15-019-25965-0000	BALLARD	15-D	20	33	13	E	Chautauqua
6	15-019-21416-0000	BALLARD	3	30	33	13	E	Chautauqua
7	15-019-21635-0000	BALLARD	9-E	21	33	13	E	Chautauqua
8	15-019-23042-0001	BALLARD	9-W	19	33	13	E	Chautauqua
9	15-019-26267-0000	BALLARD	D-19	20	33	13	E	Chautauqua
10	15-019-22043-0003	BALLARD	D-3	19	33	13	E	Chautauqua
11	15-019-22044-0001	BALLARD	D-4	19	33	13	E	Chautauqua
12	15-019-21510-0001	BALLARD	E-2	20	33	13	E	Chautauqua
13	15-019-22367-0001	BALLARD	E-3	20	33	13	E	Chautauqua
14	15-019-40575-0000	BALLARD B	1	29	33	13	E	Chautauqua
15	15-019-40576-0000	BALLARD B	2	29	33	13	E	Chautauqua
16	15-019-40577-0000	BALLARD B	3	29	33	13	E	Chautauqua
17	15-019-23201-0001	BALLARD D	10W	20	33	13	E	Chautauqua
18	15-019-22685-0000	BALLARD D	13	30	33	13	E	Chautauqua
19	15-019-22686-0000	BALLARD D	14	30	33	13	E	Chautauqua
20	15-019-24313-0000	BALLARD D	15	30	33	13	E	Chautauqua
21	15-019-22429-0000	BALLARD D	7	30	33	13	E	Chautauqua
22	15-019-22684-0000	BALLARD D	8	30	33	13	E	Chautauqua
23	15-019-23202-0001	BALLARD D	W-11	20	33	13	E	Chautauqua
24	15-019-21626-0001	BALLARD E D	4	30	33	13	E	Chautauqua
25	15-019-22054-0000	BALLARD G NORTH	1	30	33	13	E	Chautauqua
26	15-019-23082-0000	BALLARD G NORTH	2	30	33	13	E	Chautauqua
27	15-019-21814-0000	BALLARD G SOUTH	1	30	33	13	E	Chautauqua
28	15-019-22433-0000	BALLARD G SOUTH	2	30	33	13	E	Chautauqua
29	15-019-24321-0000	BALLARD W	10E	21	33	13	E	Chautauqua
30	15-019-25973-0000	BALLARD W	17-D	20	33	13	E	Chautauqua
31	15-019-22365-0002	BALLARD W	D-5	19	33	13	E	Chautauqua
32	15-019-24595-0000	BALLARD W	E8	20	33	13	E	Chautauqua
33	15-019-21682-0000	BALLARD W	9	20	33	13	E	Chautauqua
34	15-019-22411-0001	BALLARD W	E7	20	33	13	E	Chautauqua
35	15-019-40572-0000	BEASON	3	33	33	12	E	Chautauqua
36	15-019-40571-0000	BEASON	4	33	33	12	E	Chautauqua
37	15-049-21680-0000	BILL BLISS A	1	18	30	13	E	Elk
38	15-049-21748-0002	BILL BLISS	WB 3	18	30	13	E	Elk
39	15-049-21747-0000	BILL BLISS	WB 4	18	30	13	E	Elk
40	15-049-21775-0000	BILL BLISS	WB5	18	30	13	E	Elk
41	15-049-21837-0000	BILL BLISS	WB 6	18	30	13	E	Elk
42	15-049-21928-0000	BILL BLISS	WB8	18	30	13	E	Elk
43	15-049-20658-0000	C RATHMAN	4	17	30	9	E	Elk
44	15-049-19330-0000	COLYER	4	30	30	11	E	Elk
45	15-049-19323-0000	DENTON	1	4	30	9	E	Elk
46	15-049-19325-0000	DENTON	2	4	30	9	E	Elk
47	15-049-19326-0000	DENTON	3	4	30	9	E	Elk
48	15-019-22187-0000	DEXTER	1-25	25	32	12	E	Chautauqua
49	15-019-22186-0000	DEXTER	2-25	25	32	12	E	Chautauqua
50	15-019-22256-0000	DEXTER	3-25	25	32	12	E	Chautauqua
51	15-019-26605-0000	DEXTER	11-1	11	32	12	E	Chautauqua

Perkins Oil Enterprises, Inc.

License #4448

List of Wells

52	15-019-25898-0000	DYE	2	33	33	13	E	Chautauqua
53	15-019-25899-0000	DYE	3	33	33	13	E	Chautauqua
54	15-049-21213-0000	EAGLE HEAD	9	18	30	9	E	Elk
55	15-019-26681-0001	GOFF	11	32	33	13	E	Chautauqua
56	15-019-23089	H. PEARCE	SWD-1	24	33	12		Chautauqua
57	15-019-22627	H. PEARCE	1	24	33	12		Chautauqua
58	15-019-22640	H. PEARCE	2	24	33	12		Chautauqua
59	15-019-22553	H. PEARCE	3	24	33	12		Chautauqua
60	15-019-22641	H. PEARCE	4	24	33	12		Chautauqua
61	15-019-22554	H. PEARCE	5	24	33	12		Chautauqua
62	15-019-22642	H. PEARCE	6	24	33	12		Chautauqua
63	15-019-22643	H. PEARCE	7	24	33	12		Chautauqua
64	15-019-22644	H. PEARCE	8	24	33	12		Chautauqua
65	15-019-22645	H. PEARCE	9	24	33	12		Chautauqua
66	15-019-22646	H. PEARCE	10	24	33	12		Chautauqua
67	15-019-22647	H. PEARCE	11	24	33	12		Chautauqua
68	15-019-22555	H. PEARCE	12	24	33	12		Chautauqua
69	15-019-22650	H. PEARCE	16	24	33	12		Chautauqua
70	15-019-22651	H. PEARCE	17	24	33	12		Chautauqua
71	15-019-22651	H. PEARCE	18	24	33	12		Chautauqua
72	15-019-22652	H. PEARCE	19	24	33	12		Chautauqua
73	15-019-22653	H. PEARCE	20	24	33	12		Chautauqua
74	15-019-22654	H. PEARCE	21	24	33	12		Chautauqua
75	15-019-22655	H. PEARCE	22	24	33	12		Chautauqua
76	15-019-22656	H. PEARCE	23	24	33	12		Chautauqua
77	15-019-22657	H. PEARCE	24	24	33	12		Chautauqua
78	15-019-22660	H. PEARCE	27	24	33	12		Chautauqua
79	15-019-22661	H. PEARCE	28	24	33	12		Chautauqua
80	15-019-22662	H. PEARCE	29	24	33	12		Chautauqua
81	15-019-22663	H. PEARCE	30	24	33	12		Chautauqua
82	15-019-22664	H. PEARCE	31	24	33	12		Chautauqua
83	15-019-22665	H. PEARCE	32	24	33	12		Chautauqua
84	15-019-22711	H. PEARCE	50	24	33	12		Chautauqua
85	15-019-23791	H. PEARCE	57	24	33	12		Chautauqua
86	NONE	HYDE	A1	9	30	9		ELK
87	15-049-20116-0000	HYDE	15	9	30	9	E	Elk
88	15-049-20160-0000	HYDE	16	9	30	9	E	Elk
89	15-049-20249-0000	HYDE	17	9	30	9	E	Elk
90	15-049-20281-0000	HYDE	18	9	30	9	E	Elk
91	15-049-20324-0000	HYDE	19	9	30	9	E	Elk
92	15-049-20530-0000	HYDE	21	9	30	9	E	Elk
93	15-049-20657-0000	HYDE	22	9	30	9	E	Elk
94	15-049-20457	HYDE	CR1	17	30	9		ELK
95	15-049-21248-0000	HYDEN-CR	5	17	30	9	E	Elk
96	15-019-25150-0001	KIMPLE	9	24	33	12	E	Chautauqua
97	15-019-20422-0002	KIMPLE (WYMA	4	24	33	12	E	Chautauqua
98	15-019-25152-0000	KIMPLE (WYMAN B)	1	23	33	12	W	Chautauqua
99	15-019-20419-0000	KIMPLE (WYMAN)	3	24	33	12	W	Chautauqua
100	15-019-23261-0000	KIMPLE (WYMAN)	4	24	33	12	W	Chautauqua
101	15-019-23262-0000	KIMPLE (WYMAN)	5	24	33	12	W	Chautauqua
102	15-049-19339-0000	KYSER	4	9	30	9	E	Elk

Perkins Oil Enterprises, Inc.

License #4448

List of Wells

103	15-049-19336-0000	KYSER	P-2	9	30	9	E	Elk
104	15-049-19338-0000	KYSER	P-4	9	30	9	E	Elk
105	15-019-21124-0000	MEEKS	OW-1	9	35	11	E	Chautauqua
106	15-049-20250-0000	MKO RANCH	3	16	30	9	E	Elk
107	15-049-20282-0000	MKO	4	16	30	9	E	Elk
108	15-049-20293-0000	MKO RANCH	5	16	30	9	E	Elk
109	15-049-20325	MKO	6	16	30	9		ELK
110	15-049-20408-0000	MKO RANCH	8	16	30	9	E	Elk
111	15-049-20895-0000	MKO	12	16	30	9	E	Elk
112	15-049-19320-0000	MULLENDORE	8	3	30	9	W	Elk
113	15-049-20313-0000	MULLENDORE PERKINS	1	3	30	9	E	Elk
114	15-019-19292-0000	Mullendore-Bean	17	33	33	12	E	Chautauqua
115	15-019-22106-0000	PERKINS	10	31	33	13	E	Chautauqua
116	15-019-22369-0000	PERKINS	11	31	33	13	E	Chautauqua
117	15-019-22107-0000	PERKINS	14	31	33	13	E	Chautauqua
118	15-049-20255-0000	PERKINS	8	9	30	9	E	Elk
119	15-049-20294-0000	PERKINS	9	10	30	9	W	Elk
120	15-019-26982-0000	PERKINS	30-1	30	33	13	E	Chautauqua
121	15-049-20215-0000	PERKINS	P 7	10	30	9	E	Elk
122	15-019-21985-0000	PERKINS (HYLTON)	2	31	33	13	E	Chautauqua
123	15-049-20098-0000	PERKINS BARBARA	BP1	3	30	9	W	Elk
124	15-049-20100-0000	PERKINS BARBARA	BP2	3	30	9	E	Elk
125	15-049-20101-0000	PERKINS BARBARA	BP3	3	30	9	E	Elk
126	15-049-20256-0000	PERKINS BARBARA	BP6	3	30	9	E	Elk
127	15-049-20283-0000	PERKINS BARBARA	BP7	3	30	9	E	Elk
128	15-049-20376-0000	PERKINS BARBARA	BP8	3	30	9	E	Elk
129	15-049-19344-0000	PICKELL	5	30	30	11	W	Elk
130	15-049-22316-0000	PICKETT	1	35	30	12	E	Elk
131	15-049-20528-0000	RATHMAN CORY	3	17	30	9	E	Elk
132	15-019-22032-0000	SOUTH BROUGHAM	11A	36	33	12	E	Chautauqua
133	15-019-22535-0000	SOUTH BROUGHAM	3	36	33	12	E	Chautauqua
134	15-019-22536	SOUTH BROUGHAM	4	36	33	12	E	CHAUT.
135	15-019-21845-0000	SOUTH BROUGHAM	5-A	36	33	12	E	Chautauqua
136	15-019-25832-0000	SWANEY WEST	1	29	33	13	E	Chautauqua
137	15-019-25831-0001	SWANEY WEST	2	29	33	13	E	Chautauqua
138	15-019-25867-0001	SWANEY WEST	4	29	33	13	E	Chautauqua

CERTIFICATE OF SERVICE

I certify that on 5/8/17, 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:

James R. Perkins
Perkins Oil Enterprises, Inc.
PO Box 707
Howard, KS 67349-0707

and delivered by e-mail to:

John Almond
KCC District #3

Jonathan R. Myers
KCC Central office

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