

**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-3508-CMSC  
between Anthony L. Gilliland and Commission )  
Staff regarding bringing the Hoyt #3 well in ) CONSERVATION DIVISION  
Butler County into compliance with K.A.R. 82-3- )  
111. ) License No.: 31794

**ORDER APPROVING COMPLIANCE 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. Commission Staff and Operator have executed a compliance agreement, which is attached as an exhibit to this Order and incorporated by reference.
2. The compliance agreement provides a fair and efficient resolution of this matter.

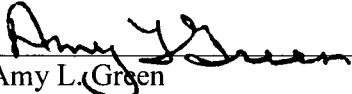
**THEREFORE, THE COMMISSION ORDERS:**

- A. The compliance 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.
- 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.**

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: MAR 07 2017

  
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Amy L. Green  
Secretary to the Commission

Mailed Date: March 7, 2017

JM

## **COMPLIANCE AGREEMENT**

This Agreement is between Anthony L. Gilliland ("Operator") (License #31794) 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 Hoyt #3, API #15-015-40486 ("the subject well"), which is 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 well, return it to service, or obtain temporary abandonment status for it. Staff is supportive of an agreement.

### **B. Terms of Compliance Agreement**

2. By April 17, 2017, Operator shall plug, return to service, or obtain temporary abandonment status for the subject well.

3. If Operator fails to comply with the deadline described in Paragraph 2, then Operator shall be assessed a \$1,000 penalty. If the subject well is not in compliance with K.A.R. 82-3-111 by being plugged, returned to service, or having temporary abandonment status, by May 31, 2017, then Operator shall be assessed an additional \$5,000 penalty, and Staff may plug the subject well and assess the costs to Operator.

4. If Operator fails to comply with any of the above deadlines, 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 the Commission's Order approving this Agreement, 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 interest in the subject wells is conveyed. However, if the subject well transferred to another operator and then brought into compliance with K.A.R. 82-3-111, it 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 well that occurred or occurs prior to May 31, 2017, except if the well is brought into compliance after Commission approval of this Agreement and again falls out of compliance, and remains on Operator's license.

Commission Staff

Anthony L. Gilliland

By: Jon Myers

By: Anthony L. Gilliland

Printed Name: JON MYERS

Printed Name: Anthony L. Gilliland

Title: LITIGATION COUNSEL

Title: OPERATOR

Date: 3/2/17

Date: 2-26-17

**CERTIFICATE OF SERVICE**

I certify that on March 7, 2017, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

Anthony L. Gilliland  
326 South 100th  
Edwardsville, Kansas 66111

And delivered by email to:

Jeff Klock & Dan Fox  
KCC Conservation Division

/s/ Cynthia K. Maine  
Cynthia K. Maine  
Administrative Assistant  
Kansas Corporation Commission