

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

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

In the matter of a Compliance Agreement ) Docket No.: 16-CONS-3876-CMSC  
Between Steven A. Leis and Commission Staff )  
regarding bringing the twenty-eight wells in ) CONSERVATION DIVISION  
compliance with K.A.R. 82-3-111 )  
\_\_\_\_\_ ) License No.: 33900

Pursuant to the Kansas Statutes & Administrative Regulations

**PETITION FOR RECONSIDERATION**  
**OF MARCH 15, 2016, ORDER APPROVING COMPLIANCE AGREEMENT**

Comes now, LD and Cheryl McCormick, husband and wife, Petitioners herein, and do hereby submit their Petition for Reconsideration of the March 15, 2016, Order of the Kansas Corporation Commission Approving Compliance Agreement pursuant to K.S.A. 77-529, or as otherwise provided by law.

In support thereof, Petitioners allege and state as follows:

1) Petitioners, LD and Cheryl McCormick, reside at 1266 80th Road, Yates Center, Kansas, 66783.

2) Petitioners are the owners of the following described property, to wit:

**South Half (S/2) of Section 28, Township 25 South, Range 15 East of the 6th P.M., Woodson County, Kansas.**

3) The land described in paragraph 2 was covered by and oil and gas lease formerly described as the "Hartzler" oil and gas where the following unplugged wells are located

In the Matter of a Compliance Agreement  
Between Steven A. Leis and Commission Staff  
regarding bringing the twenty-eight wells in  
Woodson County into compliance with K.A.R. 82-3-111  
Docket No. 16-CONS-3876-CMSC  
CONSERVATION DIVISION  
License No. 33900  
Filed by Fax to 316-337-6106  
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according to records maintained by the Kansas Corporation Commission:

a.	Hartzler #4	API 15-207-21924
b.	Hartzler #5	API 15-207-23773
c.	Hartzler #6	API 15-207-23774
d.	Hartzler #7	API 15-207-23775
e.	Hartzler #8	API 15-207-23776
f.	Hartzler #9	API 15-207-23795
g.	Hartzler #11	API 15-207-23794
h.	Hartzler #12	API 15-207-23797
i.	Hartzler #14	API 15-207-23849
j.	Hartzler #15	API 15-207-23850
k.	Hartzler #17	API 15-207-23852
l.	Hartzler #18	API 15-207-23853
m.	Hartzler #19	API 15-207-23854
n.	Hartzler #20	API 15-207-23855
o.	Hartzler #23	API 15-207-23899
p.	Hartzler #25	API 15-207-23901 (Injection Well)
q.	Hartzler #29	API 15-207-23920 (Injection Well)
r.	Hartzler #31	API 15-207-23930 (Injection Well)
s.	Hartzler #37	
t.	Hartzler #44	API 15-207-23936
u.	Hartzler #51	API 15-207-23923
v.	Hartzler #55	API 15-207-23998
w.	M. Hartzler #8	API 15-207-22874
x.	Hartzler #39	API 15-207-23938
y.	Hartzler #40	API 15-207-23939
z.	Hartzler #41	API 15-207-23940
aa.	Hartzler #46	API 15-207-23945
bb.	Hartzler #47	API 15-207-23946

4) Petitioners state and give written notice to the Kansas Corporation Commission (KCC) that the oil well identified by KCC records as the Hartzler #22 well located on the land and property described in paragraph 2 above appears to be unplugged because the wellhead remains with a ball valve on it.

5) Petitioners further state and give written notice to the Kansas Corporation Commission that oil wells identified by KCC records as the Hartzler #30 and Hartzler #48 wells located on the land and property described in paragraph 2 above also appear to be unplugged.

6) Petitioners state and give written notice to the Kansas Corporation Commission that the oil and gas lease covering the land and property described in paragraph 2 above, and formerly known as the "Hartzler" lease was released by Steven A. Leis a/k/a Steve Leis on or about August 15, 2014, and said release of oil and gas lease was duly filed of record with the Woodson County Register of Deeds on or about January 26, 2015.

7) A true and correct copy of the recorded release of oil and gas lease referenced in paragraph 6 above is attached hereto, marked Exhibit "A", and incorporated herein by reference.

8) On or about March 9, 2016, Steven A. Leis, as Operator, signed a Compliance Agreement with KCC staff. A copy of said the Compliance Agreement is attached hereto, marked Exhibit "B", and incorporated herein by reference.

9) On or about March 10, 2016, a Motion for the Commission to Adopt a Compliance Agreement was filed in these proceedings by Jonathan R. Myers, Litigation Counsel for the Kansas Corporation Commission. A copy of said Motion is attached hereto, marked Exhibit "C" and incorporated herein by reference.

10) Petitioners received no written notice of the Motion for the Commission to Adopt a Compliance Agreement that was filed herein.

11) On or about March 15, 2016, an Order Approving Compliance Agreement was



entered by the Kansas Corporation Commission and filed of record in these proceedings. A copy of the Order is attached hereto, marked Exhibit "D", and incorporated herein by reference.

12) Petitioners received no written notice of the March 15, 2016, Order Approving Compliance Agreement that was entered and filed herein.

13) On February 25, 2016, counsel for the Petitioners sent a letter to the Kansas Corporation Commission attempting to inquire regarding status of getting all of the wells plugged on Petitioner's land. No written response was received from the Kansas Corporation Commission in reply to the letter. A copy of the February 25, 2016, letter that was sent to the Kansas Corporation Commission by Petitioner's counsel is attached hereto, marked Exhibit "E", and incorporated herein by reference.

14) K.S.A. 77-529, provides for the filing of a Petition for Reconsideration as follows, to wit:

**77-529.Reconsideration.** (a) (1) Except as otherwise provided by paragraph (2), any party, within 15 days after service of a final order, may file a petition for reconsideration with the agency head, stating the specific grounds upon which relief is requested. The filing of the petition is not a prerequisite for seeking administrative or judicial review except as provided in K.S.A. 44-1010 and 44-1115, and amendments thereto, concerning orders of the Kansas human rights commission, K.S.A. 55-606 and 66-118b, and amendments thereto, concerning orders of the corporation commission.

(2) Any party applying for an exemption under: (A) Section 13, of article 11 of the constitution of the state of Kansas, or (B) K.S.A. 79-201a *Second*, and amendments thereto, for property constructed or purchased, in whole or in part, with the proceeds of revenue bonds under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, may file a petition for reconsideration with the state board of tax appeals within 30 days after service of a final order.

(b) Within 20 days after the filing of the petition, the agency head shall render a written order denying the petition, granting the petition and dissolving or modifying the final order, or granting the petition and setting the matter for further proceedings. An order on reconsideration altering a prior order shall be in writing and shall include findings of fact, conclusions of law and policy reasons for the decision. In proceedings before the state corporation commission, the petition is deemed to have been denied if the agency head does not dispose of it within 30 days after the filing of the petition.

An order under this section shall be served on the parties in the manner prescribed by K.S.A. 77-531, and amendments thereto.

(c) If there are multiple parties to an agency adjudication and one party files a petition for judicial review, the agency retains jurisdiction to act on a timely petition for reconsideration filed by another party.

(d) Any order rendered upon reconsideration or any order denying a petition for reconsideration shall state the agency officer to receive service of a petition for judicial review on behalf of the agency.

(e) For the purposes of this section, "agency head" shall include a presiding officer designated in accordance with subsection (g) of K.S.A. 77-514, and amendments thereto.

15) Petitioners state that their Petition for Reconsideration is submitted in writing as set forth herein with the original submitted to the Commission for filing as provided by law with copies to the parties listed in the Certificate of Mailing.

16) Petitioners legal rights, duties, privileges, immunities or other legal interests are substantially affected by both the March 9, 2016, Compliance Agreement signed by Steven A. Leis, as Operator, and KCC staff, and the March 15, 2016, Order Approving Compliance Agreement that was entered and filed herein.

17) Petitioners believe the March 9, 2016, Compliance Agreement signed by Steven

A. Leis, as Operator, and KCC staff, and the March 15, 2016, Order Approving Compliance Agreement should be reconsidered due to lack of written notice to Petitioners with opportunity to be heard.

18) The March 15, 2016, Order Approving Compliance Agreement was entered by the Kansas Corporation Commission with no advance written notice to Petitioners giving them an opportunity to be heard.

19) Petitioner's argue that their legal and constitutional rights to use and enjoyment of their land as described in paragraph 2 above where numerous unplugged well exist have been adversely affected herein with no written notice or opportunity to be heard regarding:

a) The March 9, 2016, Compliance Agreement signed by Steven A. Leis, as Operator, and KCC staff; and

b) The March 10, 2016, Motion for the Commission to Adopt a Compliance Agreement was filed in these proceedings by Jonathan R. Myers, Litigation Counsel for the Kansas Corporation Commission; and

c) The March 15, 2016, Order Approving Compliance Agreement that was entered and filed herein.

20) The March 9, 2016, Compliance Agreement and the March 15, 2016, Order Approving Compliance Agreement should also be reconsidered by the Kansas Corporation Commission because the oil and gas lease covering Petitioner's property and formerly known as the "Hartzler" lease was released by Steven A. Leis a/k/a Steve Leis on or about August 15,



2014, and said release of oil and gas lease was duly filed of record with the Woodson County Register of Deeds on or about January 26, 2015. There is no oil and gas lease on Petitioner's property. The lease was released by the Operator more than nineteen (19) months ago.

21) The March 9, 2016, Compliance Agreement and the March 15, 2016, Order Approving Compliance Agreement should also be reconsidered by the Kansas Corporation Commission because Petitioner's believe there are additional wells such as the Hartzler #22, Hartzler #30 and Hartzler #48 located on Petitioner's land described in paragraph 2 above that appear to be unplugged and are not listed on the Compliance Agreement.

22) The March 9, 2016, Compliance Agreement and the March 15, 2016, Order Approving Compliance Agreement should be reconsidered by the Kansas Corporation Commission because the March 15, 2016, Order Approving Compliance Agreement appears to conflict with Petitioner's legal right to have all existing oil wells plugged, all oil and gas equipment removed and the land restored to prelease conditions pursuant to K.S.A. 55-177 which provides as follows:

**55-177. Removal of structures and abutments from lands after abandoning wells; exception.** (a) Leaving the surface of lands with a part of the operating structure or other equipment intact after abandoning oil or gas wells is against public policy, and constitutes a public nuisance, and shall be hereafter prohibited. Whenever any lease operator abandons any oil or gas well, the lease operator, within six months thereafter, shall remove any rig, derrick or other operating structure, and all abutments and other obstacles of every kind or size used in the operation of such oil or gas lease, from the land upon which the well was theretofore operated, and shall grade the surface of the soil in such manner as to leave the land, as nearly as practicable, in the same condition after the removal of such structures, equipment and obstacles as it was before such structures and

abutments were placed thereon, unless the owner of the land and the abandoning party have entered into a contract providing otherwise.

(b) Any person, firm, association, partnership or corporation violating the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than \$100 nor more than \$500.

23) The March 15, 2016, Order Approving Compliance Agreement should be reconsidered by the Kansas Corporation Commission because it gives Steven A. Leis, as the last owner and Operator of the former oil and gas lease covering Petitioner's land as described in paragraphs 2 above, more time to plug the existing oil wells than what is otherwise provided by K.S.A. 55-177.

24) The March 15, 2016, Order Approving Compliance Agreement should be reconsidered by the Kansas Corporation Commission because the Compliance Agreement appears to substantially affect or impair the right of Petitioners or others to pursue a K.S.A. 55-177 action because the six (6) month statutory time period for Steven A. Leis to comply with the requirements of K.S.A. 55-177 expired on or about February 4, 2015, after the oil and gas lease was released on August 15, 2014. The Compliance Agreement was signed on or about March 9, 2016, almost nineteen (19) months after the oil and gas lease was released by the Operator.

25) Petitioners believe the March 15, 2016, Order Approving Compliance Agreement should be reconsidered by the Kansas Corporation Commission because it could constitute a legal defense, either affirmative or otherwise, to a K.S.A. 55-177 legal action by Petitioners or others due to the time allowance for well plugging as set forth in the Agreement. Petitioners and others could be barred from pursuing any form of K.S.A. 55-177 legal action against Steven A.



Leis for three (3) years or more if the March 15, 2016, Order Approving Compliance Agreement is allowed to stand.

26) Petitioners also argue that the March 9, 2016, Compliance Agreement and the March 15, 2016, Order Approving Compliance Agreement are arbitrary and capricious and entered without any notice or due process of law afforded to Petitioners.

27) Petitioners argue that the March 9, 2016, Compliance Agreement and the March 15, 2016, Order Approving Compliance Agreement were made with no required factual or legal findings made to support lack of notice and due process to Petitioners.

28) Petitioners further argue that no necessary factual or legal findings were made to support an order giving Steven A. Leis, as Operator, more than three (3) years to plug all of the wells now located on Petitioner's property. No required supporting factual findings appear in either the March 9, 2016, Compliance Agreement; March 10, 2016, Motion for the Commission to Adopt a Compliance Agreement; or the March 15, 2016, Order Approving Compliance Agreement that was entered and filed herein. As such, the March 9, 2016, Compliance Agreement and March 15, 2016, Order Approving Compliance Agreement should be reconsidered by the Kansas Corporation Commission.

29) Petitioners also argue that the March 9, 2016, Compliance Agreement and March 15, 2016, Order Approving Compliance Agreement should be reconsidered by the Kansas Corporation Commission because the Compliance Agreement is unreasonable, arbitrary, and was made with no supporting facts to support plugging the wells over three (3) years in light of the

fact there is no existing oil and gas lease on Petitioner's property. Steven A. Leis, as Operator, released the oil and gas lease covering Petitioner's property back on August 15, 2014. As such, there can be no restoration of the oil wells to service by Steven A. Leis, as Operator, and no temporary abandonment status is available for any well located on Petitioner's property as set forth in the March 9, 2016, Compliance Agreement. The wells simply need to be plugged according to KCC regulations by Steven A. Leis. Petitioners believe giving Steven A. Leis more than three (3) years to plug the existing oil wells on their property is unreasonable and puts their land at risk of repeated property and other damage over time.

WHEREFORE, Petitioners request that their Petition for Reconsideration of the March 15, 2016 Order Approving Compliance Agreement be granted; and that Petitioners be granted such other and further relief to which they may otherwise be entitled herein.

BIDEAU LAW OFFICES, LLC



By: David J. Bideau #11285  
P. O. Box 945  
Chanute, Kansas 66720-0945  
(620) 431-2720 (Voice)  
(620) 431-2742 (Fax)  
Attorney for Petitioners  
LD & Cheryl McCormick

VERIFICATION

STATE OF KANSAS, COUNTY OF NEOSHO, SS:

Comes now, LD and Cheryl McCormick, husband and wife, being of lawful age, and first duly sworn upon oath, state that:

They are the Petitioners in the above entitled Petition for Reconsideration of the March 15, 2016, Order Approving Compliance Agreement; that they have read the foregoing Petition and know the contents thereof, and that the allegations contained therein are true and correct on information and belief.

LD McCormick

LD McCormick

Cheryl McCormick

Cheryl McCormick

Subscribed and sworn to before me this 28th day of March, 2016, by LD McCormick and Cheryl McCormick, husband and wife.



Kayla Krattley

Notary Public

My Appointment Expires:

August 5, 2018



**CERTIFICATE OF SERVICE**

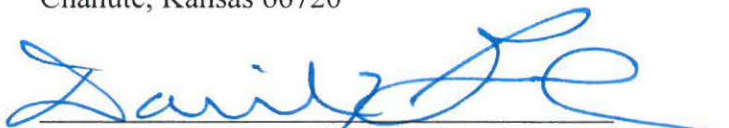
I do hereby certify that a true and correct copy of the above and foregoing Petition for Reconsideration of the March 15, 2016, Order Approving Compliance Agreement was served upon the following parties by depositing the same in the U.S. Mail, postage prepaid, addressed as follows on this 29th day of March, 2016.

Original to: Agency Head  
Kansas Corporation Commission  
Conservation Division  
266 North Main, Suite 220  
Wichita, Kansas 67202

Copy to: Mr. Jonathan R. Myers  
Litigation Counsel  
Kansas Corporation Commission  
266 North Main, Suite 220  
Wichita, Kansas 67202

Copy to: Steven A. Leis  
1135 30th Road  
Yates Center, Kansas 66783

Copy to: John Almond  
Kansas Corporation Commission  
Conservation Division - District 3 Office  
1500 West 7th Street  
Chanute, Kansas 66720

  
Bideau Law Offices, LLC

We further certify that on the 29th day of March, 2016, the original thereof was faxed to the Kansas Corporation Commission - Conservation Division of the State of Kansas at 316-337-6106, for filing in this matter with no error in transmission shown.

  
Bideau Law Offices, LLC

In the Matter of a Compliance Agreement  
Between Steven A. Leis and Commission Staff  
regarding bringing the twenty-eight wells in  
Woodson County into compliance with K.A.R. 82-3-111  
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**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

the matter of a Compliance Agreement	)	Docket No.: 16-CONS-3876-CMSC
Between Steven A. Leis and Commission Staff	)	
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	)	License No.: 33900

**EXHIBIT "A"**

In the Matter of a Compliance Agreement  
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Release of Oil and Gas Lease

STATE OF KANSAS, COUNTY OF WOODSON, ss:

The undersigned releases, surrenders, and forever quitclaims to the Lessor named in the Oil and Gas Lease, and the Lessor's successors in interest, any and all rights whatsoever acquired or held under that certain Oil and Gas Lease date August 24, 1992, and recorded in Book 73 at Page 235 of the Register of Deeds, Woodson County, Kansas, insofar as the Lease together with any ratifications, amendments, extensions or renewals, cover the following land:


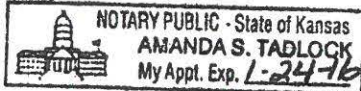
LEGAL DESCRIPTION: The South Half (S/2) of Section 28, Township 25 South, Range 15 East of the 6th P.M.

Dated this 15<sup>th</sup> day of August, 2014.

  
\_\_\_\_\_  
Steve Leis

Acknowledged before me, the undersigned notary public, by Steve Leis, this 15<sup>th</sup> day of August, 2014.

My appointment expires:  
(SEAL)

  
\_\_\_\_\_  
Notary Public

WOODSON COUNTY REGISTER OF DEEDS  
Book: S96 Page: 73  
Pages Recorded: 1 Recording Fee: \$12.00  
Date Recorded: 1/26/2015 9:40:00 AM  
✓✓



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

the matter of a Compliance Agreement	)	Docket No.: 16-CONS-3876-CMSC
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	)	License No.: 33900

**EXHIBIT "B"**

In the Matter of a Compliance Agreement  
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regarding bringing the twenty-eight wells in  
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RECEIVED  
KCC DIST #3

MAR 09 2016

CHANUTE, KS

COMPLIANCE AGREEMENT

This Agreement is between Steven A. Leis ("Operator") (License #33900) 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 wells listed in Paragraph 2 below. 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.

2. Operator is responsible for the following wells ("the subject wells"):

a. Hartzler #4	API 15-207-21924	
b. Hartzler #5	API 15-207-23773	
c. Hartzler #6	API 15-207-23774	
d. Hartzler #7	API 15-207-23775	
e. Hartzler #8	API 15-207-23776	
f. Hartzler #9	API 15-207-23795	
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aa Hartzler #46	API 15-207-23945	
bb Hartzler #47	API 15-207-23946	

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KCC DIST # 3  
MAR 09 2016  
CHANUTE, KS

*SA*  
*SA*  
*may*  
B. Terms of Compliance Agreement

3. By ~~April~~ *may* 30, 2016, Operator shall plug, return to service, or obtain temporary abandonment status for two of the subject wells. Operator shall plug, return to service, or obtain temporary abandonment status for an additional two subject wells within each three calendar months thereafter, resulting in the final wells being returned to compliance by July 31, 2019.
4. Operator shall bring the injection wells in Paragraph 2 into compliance before bringing the other subject wells into compliance. If the injection wells have not first been brought into compliance, then no other wells will be considered in compliance for purposes of meeting the deadlines described in Paragraph 3.
5. If Operator fails to comply with any deadline described in Paragraph 3, 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 July 31, 2019, then Operator shall be assessed an additional \$2,500 penalty, and Staff may plug the wells and assess the costs to Operator.
6. 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.
7. 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



RECEIVED  
KCC DIST #3  
MAR 09 2016  
CHANUTE, KS

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.

8. 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 July 31, 2019, except for wells brought into compliance after Commission approval of this Agreement that again fall out of compliance.

C. Conclusion

Both parties believe this Agreement fairly resolves the matters at issue.

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 3/10/16

Steven A. Leis

By: Sh A L

Printed Name: Steven A. Leis

Title: EX-Owner

Date: 3-9-2016

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**EXHIBIT "C"**

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2016.03.10 11:49:38  
Kansas Corporation Commission  
/S/ Amy L. Green

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82-3-111.	)	License No.: 33900

**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,



Jonathan R. Myers, #25975  
Litigation Counsel  
Kansas Corporation Commission  
266 N. Main, Suite 220  
Wichita, Kansas 67202  
Phone: 316-337-6200; Fax: 316-337-6211



**CERTIFICATE OF SERVICE**

I certify that on 3/10/16, 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:

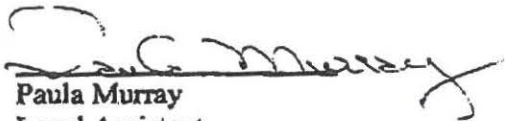
Steven A. Leis  
1135 30<sup>th</sup> Road  
Yates Center, Kansas 66783

And delivered by email to:

John Almond  
KCC District #3

And delivered by hand to:

Lane Palmateer  
Conservation Division Central Office

  
Paula Murray  
Legal Assistant  
Kansas Corporation Commission

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82-3-111. ) License No.: 33900

**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 the 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. 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 any 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.**

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: MAR 15 2016

  
\_\_\_\_\_  
Amy L. Green  
Secretary to the Commission

Mailed Date: March 15, 2016

LRP

**CERTIFICATE OF SERVICE**

I certify that on March 15, 2016, 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:

Steven A. Leis  
1135 30th Road  
Yates Center, Kansas 66783

And delivered by email to:  
John Almond  
KCC District #3

And delivered by hand to:  
Jonathan R. Myers  
Conservation Division Central Office

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

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MAR 09 2016  
CHANUTE, KS

### COMPLIANCE AGREEMENT

This Agreement is between Steven A. Leis ("Operator") (License #33900) 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 wells listed in Paragraph 2 below. 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.

2. Operator is responsible for the following wells ("the subject wells"):

a. Hartzler #4	API 15-207-21924	
b. Hartzler #5	API 15-207-23773	
c. Hartzler #6	API 15-207-23774	
d. Hartzler #7	API 15-207-23775	
e. Hartzler #8	API 15-207-23776	
f. Hartzler #9	API 15-207-23795	
g. Hartzler #11	API 15-207-23794	
h. Hartzler #12	API 15-207-23797	
i. Hartzler #14	API 15-207-23849	
j. Hartzler #15	API 15-207-23850	
k. Hartzler #17	API 15-207-23852	
l. Hartzler #18	API 15-207-23853	
m. Hartzler #19	API 15-207-23854	
n. Hartzler #20	API 15-207-23855	
o. Hartzler #23	API 15-207-23899	
p. Hartzler #25	API 15-207-23901	(Injection well)
q. Hartzler #29	API 15-207-23920	(Injection well)
r. Hartzler #31	API 15-207-23930	(Injection well)
s. Hartzler #37	API 15-207-23936	
t. Hartzler #44	API 15-207-23943	
u. Hartzler #51	API 15-207-23923	
v. Hartzler #55	API 15-207-23998	
w. M. Hartzler #8	API 15-207-22874	
x. Hartzler #39	API 15-207-23938	
y. Hartzler #40	API 15-207-23939	
z. Hartzler #41	API 15-207-23940	
aa Hartzler #46	API 15-207-23945	
bb Hartzler #47	API 15-207-23946	



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~~SA~~  
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B. Terms of Compliance Agreement

3. By ~~April~~ <sup>MAY</sup> 30, 2016, Operator shall plug, return to service, or obtain temporary abandonment status for two of the subject wells. Operator shall plug, return to service, or obtain temporary abandonment status for an additional two subject wells within each three calendar months thereafter, resulting in the final wells being returned to compliance by July 31, 2019.

4. Operator shall bring the injection wells in Paragraph 2 into compliance before bringing the other subject wells into compliance. If the injection wells have not first been brought into compliance, then no other wells will be considered in compliance for purposes of meeting the deadlines described in Paragraph 3.

5. If Operator fails to comply with any deadline described in Paragraph 3, 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 July 31, 2019, then Operator shall be assessed an additional \$2,500 penalty, and Staff may plug the wells and assess the costs to Operator.

6. 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.

7. 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

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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.

8. 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 July 31, 2019, except for wells brought into compliance after Commission approval of this Agreement that again fall out of compliance.

C. Conclusion

Both parties believe this Agreement fairly resolves the matters at issue.

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 3/10/16

Steven A. Leis

By: Sh A L

Printed Name: Steven A. Leis

Title: EX - owner

Date: 3-9-2016

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

the matter of a Compliance Agreement )  
Between Steven A. Leis and Commission Staff )  
regarding bringing the twenty-eight wells in )  
compliance with K.A.R. 82-3-111 )  
\_\_\_\_\_ )

Docket No.: 16-CONS-3876-CMSC

CONSERVATION DIVISION

License No.: 33900

**EXHIBIT "E"**

In the Matter of a Compliance Agreement  
Between Steven A. Leis and Commission Staff  
regarding bringing the twenty-eight wells in  
Woodson County into compliance with K.A.R. 82-3-111  
Docket No. 16-CONS-3876-CMSC  
CONSERVATION DIVISION  
License No. 33900  
Filed by Fax to 316-337-6106  
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EDWIN H. BIDEAU III  
DAVID J. BIDEAU

(620) 431-2720  
FAX: (620) 431-2742

February 25, 2016

Ryan A. Hoffman, Director  
Kansas Corporation Commission  
Conservation Division  
266 North Main Street  
Suite 220  
Wichita, Kansas 67202-1513

Re; L.D. and Cheryl McCormick-Hartzler Lease,  
28-25s-15e, Woodson County, Kansas  
Steven A. Leis, License No. 33900

Dear Mr. Hoffman:

Please be advised that we have been retained by L.D. and Cheryl McCormick regarding various unplugged oil wells located on their property captioned above. The property is commonly known as the Hartzler Lease.

The oil and gas lease covering the above-captioned property was released by Mr. Leis on or about August 14, 2014. We believe there are twenty-seven (27) unplugged wells on the property. Since the oil and gas lease has been released we believe Mr. Leis is obligated to plug all of the wells according to K.C.C. regulation.

Please provide us with a status report setting forth when the twenty-seven (27) wells are going to be plugged.

Our clients are interested in getting the oil wells plugged and their land restored to its pre-lease condition. We believe the K.C.C. regulations require plugging of the wells. We are available to meet with you or your staff to discuss the lease situation and need for well plugging.

We look forward to hearing from you regarding this matter.

Sincerely,



David J. Bideau

DJB:fj

cc: L.D. and Cheryl McCormick