

**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-3518-CMSC
between Three Rivers Exploration, LLC)	
(Operator) and Commission Staff regarding)	CONSERVATION DIVISION
bringing the subject wells in Chase and)	
Greenwood Counties into compliance with)	License No.: 33217
K.A.R. 82-3-111.)	

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. An additional, unsigned, high-resolution copy is also attached for reference purposes. Both documents are incorporated into this Order.

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.

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: APR 04 2017



Amy L. Green
Secretary to the Commission

Mailed Date: April 4, 2017

JRM

COMPLIANCE AGREEMENT

This Agreement is between Three Rivers Exploration, LLC ("Operator") (License #33217) 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 18 wells ("the subject wells") on the attached list. 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.

B. Terms of Compliance Agreement

2. By May 31, 2017, Operator shall plug, return to service, or obtain temporary abandonment status for 2 of the subject wells. Operator shall plug, return to service, or obtain temporary abandonment status for an additional 2 subject wells within each three calendar months thereafter, resulting in all subject wells being returned to compliance by May 31, 2019.

3. If Operator fails to comply with any deadline described 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 August 30, 2019, 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

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Wichita, KS

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 wells that occurred or occurs prior to August 30, 2019, except for wells brought into compliance after Commission approval of this Agreement that again fall out of compliance that remain on Operator's license.

Commission Staff

Three Rivers Exploration, LLC

By: Joshua D. Wright

By: David Farthing

Printed Name: Joshua D. Wright

Printed Name: David Farthing

Title: Litigation Counsel

Title: Owner

Date: 3-20-17

Date: 3-7-17

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Three Rivers Exploration, LCC**License #33217****List of Wells**

	API WELLNO	WELL NM	SEC	TWP	RNG	RNGD	COUNTY
Line 1	15017203700000	BIG SPRING 3	25	22	9	E	CS
Line 2	15017203800000	BIG SPRING 4	25	22	9	E	CS
Line 3	15017202290000	BIG SPRINGS 2	25	22	9	E	CS
Line 4	15017202190000	NORTHWEST LEEDY 7	25	22	9	E	CS
Line 5	15017202130000	BIG SPRING 1	25	22	9	E	CS
Line 6	15017202340000	LEEDY 10	25	22	9	E	CS
Line 7	15017190190000	NW LEEDY 2	25	22	9	E	CS
Line 8	15017190170000	WEST LEEDY 7	25	22	9	E	CS
Line 9	15017190180000	WEST LEEDY 9	25	22	9	E	CS
Line 10	15017190200001	LEEDY 5	25	22	9	E	CS
Line 11	15017203680000	BIG SPRING C 1	36	22	9	E	CS
Line 12	15017204080000	BIG SPRING 3	36	22	9	E	CS
Line 13	15073228410000	WADDELL (BLEDSOE) 5	15	23	10	E	GW
Line 14	15073229880000	WADDELL (BLEDSOE) 6	15	23	10	E	GW
Line 15	15073242260000	WADDELL 3A	15	23	10	E	GW
Line 16	15073241290000	WADDELL 2-A	15	23	10	E	GW
Line 17	15073241090000	WADDELL 1-A	15	23	10	E	GW
Line 18	15073226530002	WADDELL (BLEDSOE) 4	15	23	10	E	GW

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Commission Staff

Three Rivers Exploration, LLC

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

CERTIFICATE OF SERVICE

I certify that on April 4, 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:

David Farthing
Three Rivers Exploration, LLC
538 Road 20
Olpe, KS 66865-9350

and delivered by e-mail to:

John Almond
KCC District #3

Joshua D. Wright, Litigation Counsel
KCC Central Office

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