

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

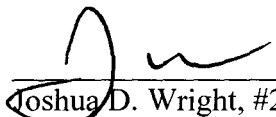
Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the matter of the failure of Benjamin M. Giles ("Operator") to comply with K.A.R. 82-3-111 at the Ray #A-1, Ray C #1, Ray C #2 and Seidl #1 OWWO wells in Butler County, Kansas)	Docket No.: 17-CONS-3329-CPEN
)	
)	CONSERVATION DIVISION
)	
)	License No.: 5446

MOTION TO APPROVE SETTLEMENT AGREEMENT

Commission Staff moves for the Commission to adopt and approve the attached Settlement Agreement, which has been signed by both parties. Staff believes this 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

SETTLEMENT AGREEMENT

This Agreement is between Benjamin M. Giles ("Operator") (License #5446) and Commission Staff ("Staff"). If the Commission does not approve this Agreement by a signed Order, then this Agreement shall not be binding on either party. This Agreement shall settle the proceedings in Commission Docket Number 17-CONS-3329-CPEN.

A. Background

1. On November 1, 2016, the Commission issued a Penalty Order assessing a \$400 penalty, finding four violations of K.A.R. 82-3-111, and directing Operator to return four wells to service, plug them, or obtain temporary abandonment status for them.

2. Operator timely appealed the Penalty Order and has brought two of the wells into compliance with K.A.R. 82-3-111. Operator admits to the violations in the Penalty Order, but requests additional time to bring the remaining two wells, specifically the Ray A #1, API #15-015-20784-00-00, and the Seidl #1 OWWO, API #15-015-20127-00-02, into compliance. Staff finds the request to be acceptable.

B. Terms of Settlement

3. By May 15, 2017, Operator shall pay the \$400 owed in this docket.

4. By May 31, 2017, Operator shall plug the Ray A #1, return to service, or obtain temporary abandonment status for it.

5. By May 31, 2017, Operator shall top-up the cement to complete the plugging of the Seidl #1, as the cement has fallen since the original plugging in November 2016.

6. If Operator fails to comply with any deadline in Paragraph 3, 4, or 5, then Operator shall be assessed an additional \$1,000 penalty for each deadline missed.

7. If the Ray A #1 is not in compliance with K.A.R. 82-3-111 by being plugged, returned to service, or having temporary abandonment status by June 30, 2017, then Operator

shall be assessed an additional \$2,500 penalty, and Staff may plug the well and assess the costs to Operator.

8. If Operator has not topped up the cement to complete the plugging of the Seidl #1 by June 30, 2017, then Operator shall be assessed an additional \$1,000 penalty, and Staff may top up the cement and assess the costs to Operator.

9. 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.

10. Operator agrees to waive its right to appeal the Commission's Order approving this Agreement, any penalties assessed under this Agreement, and any suspension of Operator's license implemented by Staff due to Operator's failure to comply with this Agreement.

Commission Staff

By: Joshua D. Wright
Printed Name: Joshua D. Wright
Title: Litigation Counsel
Date: 4-21-17

Benjamin M. Giles

By: Benjamin M. Giles
Printed Name: Benjamin M. Giles
Title: Owner Operator
Date: 4-19-17

CERTIFICATE OF SERVICE

I certify that on 4/24/17, 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:

Jonathan A. Schlatter
Morris Laing Evans Brock & Kennedy, Chtd.
300 N. Mead, Suite 200
Wichita, KS 67202
Attorneys for Benjamin M. Giles

and delivered by e-mail to:

Dan Fox
KCC District #2

Joshua D. Wright, Litigation Counsel
KCC Wichita

Michael J. Duenes, Assistant General Counsel
KCC Topeka

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