

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

In the matter of the failure of Curtis Clark dba)	Docket No.: 21-CONS-3179-CPEN
Clark Exploration Co. (Operator) to comply)	
with K.A.R. 82-3-111 at the Ballet #2, Ballet)	CONSERVATION DIVISION
#3, Ballet #12, Ballet Ranch #7, Ballet Ranch)	
#8, Ballet Ranch A #11, Ballet Ranch Twin)	License No.: 9026
#1, Clark Ranch #1, and Clark Ranch #2 in)	
<u>Barber and Comanche County, Kansas.)</u>	

MOTION TO APPROVE SETTLEMENT AGREEMENT

Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) hereby files this Motion to Approve Settlement Agreement. In support of its Motion, Staff states as follows:

1. On March 2, 2021, the Commission issued a Penalty Order against Operator for nine violations of K.A.R. 82-3-111 finding that the Ballet #2, API #15-007-30267; Ballet #3, API #15-007-30272; Ballet #12, API #15-007-22428; Ballet Ranch #7, API #15-033-20001; Ballet Ranch #8, API #15-007-20010; Ballet Ranch A #11, 15-007-20045; Ballet Ranch Twin #1, 15-007-30206; Clark Ranch #1, API #15-007-22596; and Clark Ranch #2, 15-007-22771 wells (Subject Wells) had been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for TA status. The Penalty Order assessed a \$900 penalty, and directed Operator to plug the wells, return the wells to service, or obtain TA status for the wells if eligible.

2. On March 23, 2021, Operator obtained temporary abandonment status for the Ballet #2, Ballet #3, Ballet #12, Ballet Ranch #7, and Ballet Ranch #8 wells.

3. On March 25, 2021, Operator timely filed a request for hearing.

4. On April 8, 2021, the Commission issued an Order Designating Presiding Officer and Setting Prehearing Conference. The Order scheduled a prehearing conference for May 6, 2021.

5. On April 20, 2021, Operator obtained temporary abandonment status for the Clark Ranch #1 and Clark Ranch #2 wells.

6. On April 27, 2021, Operator obtained temporary abandonment status for the Ballet Ranch Twin #1 well.

7. The Parties have discussed resolution of this docket, and have reached a settlement in this matter. The settlement has been reduced to writing and is attached hereto as **Attachment A**, and incorporated herein by reference (Agreement).

8. The Agreement requires Operator to pay a reduced penalty of \$450 by June 1, 2021.¹ Operator shall bring the Ballet Ranch A #11 well into compliance with K.A.R. 82-3-111 by August 4, 2021.

9. Failure to meet the deadlines as described in the Agreement shall result in the immediate suspension of Operator's license and reinstatement of the full penalty amount. Staff believes the Agreement constitutes a reasonable resolution of all issues in this docket. Further the Agreement will allow Staff and Operator to avoid potential litigation costs, and it should foster administrative efficiency.

WHEREFORE, Staff respectfully requests the Commission grant this motion, thereby approving the Settlement Agreement attached hereto as Attachment A.

Respectfully submitted,

/s/ Kelcey A. Marsh
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¹ The Settlement Agreement incorrectly states the due date of the Reduced Penalty as June 1, 2020. However, both Parties are in agreement that the correct due date for the Reduced Penalty shall be June 1, 2021.

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Clark Exploration Co. (Operator) to comply)
with K.A.R. 82-3-111 at the Ballet #2, Ballet #3,) CONSERVATION DIVISION
Ballet #12, Ballet Ranch #7, Ballet Ranch #8,)
Ballet Ranch A #11, Ballet Ranch Twin #1,) License No.: 9026
Clark Ranch #1, and Clark Ranch #2 in Barber)
and Comanche County, Kansas.)

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into by and between the Staff of the Corporation Commission of the State of Kansas (Staff and Commission, respectively) and Operator (collectively referred to herein as the Parties). If the Commission does not approve this Agreement by a signed Order, then this Agreement shall not be binding on either party. The effective date of this Agreement will be the date the Commission enters an order approving or amending the terms of the Agreement.

I. BACKGROUND

1. On March 2, 2021, the Commission issued a Penalty Order against Operator for nine violations of K.A.R. 82-3-111 finding that nine wells captioned above (Subject Wells) had been inactive in excess of the time allowed by regulations without being plugged, returned to service, or approved for TA status. The Penalty Order assessed a \$900 penalty, and directed Operator to plug the Subject Wells, return the wells to service, or obtain TA status for the wells if eligible.
2. On March 23, 2021, Operator obtained temporary abandonment status for the Ballet #2, Ballet #3, Ballet #12, Ballet Ranch #7, and Ballet Ranch #8 wells.
3. On March 25, 2021, Operator timely filed a request for hearing.

4. On April 20, 2021, Operator obtained temporary abandonment status for the Clark Ranch #1, and Clark Ranch #2 wells.

5. On April 27, 2021, Operator obtained temporary abandonment status for the Ballet Ranch Twin #1 well.

6. On April 8, 2021, the Commission issued an Order Designating Presiding Officer and Setting Prehearing Conference. The Order scheduled a prehearing conference for May 6, 2021. Prior to the prehearing conference, the Parties discussed resolution of the underlying issues in this docket, and reached a settlement in this matter. As part of the settlement, Staff agreed to reduce the terms to writing and submit the same for Commission approval. The terms of the settlement are set forth below.

II. TERMS OF THE SETTLEMENT AGREEMENT

7. The Parties agree that the Commission has jurisdiction and authority over this matter. The Parties also agree that adoption of this Agreement is in the public interest and that the Commission should approve the terms as set forth below.

8. Operator stipulates that it committed nine violations of K.A.R. 82-3-111.

9. Operator shall bring the Ballet Ranch A #11 into compliance with K.A.R. 82-3-111 by August 4, 2021.

10. The Parties agree to seek Commission approval to reduce the \$900 monetary penalty imposed in the docket to \$450 (Reduced Penalty). The Reduced Penalty will be due June 1, 2020.

11. Failure to timely meet the deadlines shall result in the suspension of Operator's license. Operator agrees and understands that if its license is suspended for the failure to meet the deadlines above, its license shall remain suspended until the Ballet Ranch A #11 has been returned

ATTACHMENT A

to compliance with K.A.R. 82-3-111 and a total of \$900 in monetary penalties has been paid in this docket.

12. Operator agrees to waive its right to appeal the Commission's Order approving this Agreement, and any penalties assessed under this Agreement.

IN WITNESS WHERETO, the Parties hereby execute and approve this Settlement Agreement by subscribing their signatures below.

Commission Staff

By: Kelcey Marsh

Printed Name: Kelcey Marsh

Title: Litigation Counsel

Date: 5/6/21

Curtis Clark dba Clark Exploration Co.

By: Curtis Clark

Printed Name: CURTIS CLARK

Title: OWNER

Date: May 5th 2021

CERTIFICATE OF SERVICE

21-CONS-3179-CPEN

I, the undersigned, certify that a true copy of the attached Motion to Approve Settlement Agreement has been served to the following by means of first class mail and electronic service on May 6, 2021.

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/S/ Paula J. Murray

Paula J. Murray