

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

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

In the matter of the failure of Eagle Creek)	Docket No.: 15-CONS-858-CPEN
Resources, LLC ("Operator") to comply with)	
K.A.R. 82-3-111 at the McCraner C #1, Mulnix #1)	CONSERVATION DIVISION
and Moore B #5 wells in Butler County, Kansas.)	
) License No.: 33974

ORDER APPROVING SETTLEMENT 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. The Staff of the Kansas Corporation Commission and the captioned operator have executed a settlement agreement, which is attached to and incorporated into this Order.
2. The Commission finds and concludes that the settlement agreement provides a fair and efficient resolution of the issues in this docket.

THEREFORE, THE COMMISSION ORDERS:

- A. The attached Settlement 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

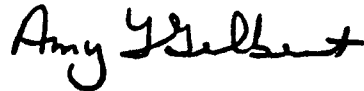
proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

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.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: JUL 30 2015



Amy L. Gilbert
Secretary to the Commission

Mailed Date: July 30, 2015

LRP

SETTLEMENT AGREEMENT

This Settlement Agreement is between Eagle Creek Resources, LLC ("Operator") (License #33974), and the Staff of the Corporation Commission of the State of Kansas ("Staff"). The effective date of this Settlement Agreement shall be the date it is approved by an Order of the Commission. If the Commission does not approve this Settlement Agreement by a signed Order, then this Settlement Agreement shall not be binding on either party. This Settlement Agreement shall settle the proceedings in Commission Docket Number 15-CONS-858-CPEN.

A. Background

1. On May 19, 2015, the Commission issued a Penalty Order in this docket, requiring Operator to pay \$300 for three violations of K.A.R. 82-3-111. The Penalty Order required Operator to bring the McCraner C #1, Mulnix #1, and Moore B #5 wells into compliance with Commission regulations by plugging the wells, returning them to service, or obtaining temporary abandonment status for the wells.

2. On June 8, 2015, Operator paid the \$300 penalty. On June 12, 2015, Operator plugged the McCraner C #1. On June 22, 2015, Operator's deadline to appeal the Penalty Order elapsed without an appeal being filed. On July 1, 2015, Staff suspended Operator's license pursuant to the terms of the Penalty Order.

3. Staff reports that the Mulnix #1 and Moore B #5 are located in a field of corn. The landowner requests that the wells not be plugged until the corn can be harvested. Operator acknowledges its obligation to plug the wells. Operator was in contact with Staff regarding these matters before the Penalty Order's appeal deadline passed, but there was some miscommunication and/or misunderstanding about what was necessary to receive an extended deadline. Staff is comfortable with an extended deadline.

B. Terms of Settlement

4. Operator's license shall be reinstated effective immediately. Operator shall plug the Mulnix #1 and Moore B #5 wells by November 30, 2015. If Operator fails to comply with this deadline, then Staff is directed to assess an additional \$2,500 penalty.

5. If Operator fails to comply with the deadline in Paragraph 4, then Staff shall suspend Operator's license until compliance is obtained and any additional penalty or penalties are paid. If Staff suspends Operator's license, then Staff shall send its standard notice of license suspension letter to Operator.

6. 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 is directed to assess an additional \$10,000 penalty.

7. Operator agrees to waive its right to appeal any suspension of Operator's license implemented by Staff, or any additional penalty assessed due to Operator's failure to comply with this Settlement Agreement.

8. If the Mulnix #1 and Moore B #5 wells are not in compliance with K.A.R. 82-3-111 by December 31, 2015, then Staff is directed to plug any of the wells not in compliance and to assess all costs incurred to Operator, along with an additional \$10,000 penalty.

9. The terms of this Settlement Agreement shall remain binding upon Operator even if its interests in the subject wells are conveyed.

C. Conclusion

Both parties believe that this Settlement Agreement represents a fair and appropriate resolution to the matters in this docket, and that the Settlement Agreement accomplishes the Commission's duty to enforce Kansas laws pertaining to the protection of usable waters and the prevention of pollution caused by oil and gas activities.

This Settlement Agreement has been agreed to by the undersigned:

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 7/20/15

Eagle Creek Resources, LLC

By: Anthony Cook

Printed Name: Anthony Cook

Title: Partner

Date: 7/20/2015

CERTIFICATE OF SERVICE

I certify that on July 30, 2015, 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 E. Cook
Eagle Creek Resources, LLC
PO Box 377
Sewickley, PA 15143-0377

Dan Fox
KCC District #2
3450 N. Rock Road, Bldg. 600, Suite 601
Wichita, KS 67226

and delivered by hand to:

Jonathan R. Myers
KCC Central Office

/s/ Lane R. Palmateer
Lane R. Palmateer
Litigation Counsel
Kansas Corporation Commission