

**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 John Horton ) Docket No: 17-CONS-3470-CPEN  
("Operator") to comply with K.A.R. 82-3- )  
400 at the Casement #1 well in Chautauqua ) CONSERVATION DIVISION  
County, Kansas. )  
\_\_\_\_\_ ) License No.: 35037

**ORDER APPROVING SETTLEMENT AGREEMENT**

This matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, and being fully advised in the premises, the Commission finds and concludes as follows:

1. On February 2, 2017, Commission Staff (Staff) issued a Penalty Order in this docket against John Horton (Operator), which stated that the Operator is responsible for the care and control of the Casement #1 well, API #15-019-24066-00-01, located in Section 4, Township 34 South, Range 11 East, Chautauqua County, Kansas.<sup>1</sup> Staff stated Commission District #3 Staff inspected the subject well on January 18, 2017, and found it in use as an injection well. Commission records indicate the subject well is not authorized for injection.<sup>2</sup>

2. On March 9, 2017, Operator timely filed its request for a hearing in this matter.<sup>3</sup>

3. On April 6, 2017, Staff filed a Motion to Approve Settlement Agreement, which attached the Settlement Agreement (SA) duly executed by both parties.<sup>4</sup> The SA indicates that

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<sup>1</sup> Penalty Order, Feb. 2, 2017, ¶ 4.

<sup>2</sup> Id., ¶ 5.

<sup>3</sup> Letter Requesting a Hearing, Mar. 9, 2017.

<sup>4</sup> Motion to Approve Settlement Agreement (Apr. 6, 2017).

the Operator agrees to the Penalty Order, thus agreeing to cease unauthorized injection, but requests a payment plan on the assessed penalty.<sup>5</sup>

4. Kansas law favors compromising and settling disputes when the agreement is entered intelligently, and in good faith.<sup>6</sup> The Commission finds that the SA provides a fair and efficient resolution of the matter.

5. Pursuant to the SA, The Operator is hereby on notice that failure to comply with the SA may result in Operator's license being suspended.

**THEREFORE, THE COMMISSION ORDERS:**

A. The Motion to Approve Settlement Agreement is granted and the Settlement Agreement is approved.

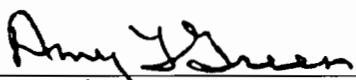
B. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order and must state the specific grounds upon which relief is requested.<sup>7</sup> The petition shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita, Kansas 67202.

C. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it deems necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: APR 18 2017

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

Mailed Date: April 18, 2017

DLK/sc

<sup>5</sup> SA at 1.

<sup>6</sup> *Bright v. LSI Corp.*, 254 Kan. 853, 858 (1994).

<sup>7</sup> K.S.A. 66-118b; K.S.A. 77-529(a)(1).

## **SETTLEMENT AGREEMENT**

This Agreement is between John Horton ("Operator") (License #35037) 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-3470-CPEN.

### **A. Background**

1. The February 2, 2017, Penalty Order in this docket required Operator to pay \$1,000 for a violation of K.A.R. 82-3-400. Operator admits to the violations, but requests a payment plan on the penalty assessed. Staff finds Operator's request to be acceptable.

### **B. Terms of Settlement**

2. Of the \$1,000 owed, Operator shall pay \$250 by April 28, 2017, and \$250 by the end of each calendar month thereafter until the full \$1,000 is paid, which shall result in the final payment being due by July 31, 2017.

3. As described in the Penalty Order, Staff remains authorized to seal the subject well to prevent additional unauthorized injection, and the well shall remain shut-in and disconnected until such time as the well is plugged, Operator receives injection authority, or the well is converted into a producing well.

4. If Operator fails to comply with any payment deadline, then Staff shall suspend Operator's license until compliance is obtained. 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 the 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.

5. 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 due to Operator's failure to comply with this Agreement.

Commission Staff

John Horton

By: Joshua D. Wright

By: John Horton

Printed Name: Joshua D. Wright

Printed Name: John Horton

Title: Litigation Counsel

Title: Operator

Date: 4-5-17

Date: 4/5/17

**CERTIFICATE OF SERVICE**

I certify that on 4/18/17, 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:

John Horton  
P.O. Box 314  
Sedan, Kansas 67361

And delivered by email to:

John Almond  
KCC District #3

Rene Stucky  
KCC Wichita Central Office

Joshua D. Wright, Litigation Counsel  
KCC Wichita Central Office

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