

**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 Stephen C. Jones	)	Docket No.: 15-CONS-654-CPEN
("Operator") to comply with K.A.R. 82-3-111	)	
at the Truelove #1, Truelove #7-1, Truelove	)	CONSERVATION DIVISION
#7-2, Truelove #13-1, Truelove #18-1,	)	
Truelove #39 and Truelove #41 wells in	)	License No.: 33453
Coffey County, Kansas.	)	

**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

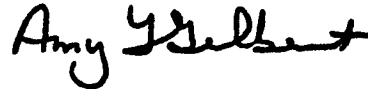
proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

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: JUN 2 2015



Amy L. Gilbert  
Secretary

Mailed Date: June 2, 2015

LRP

## **SETTLEMENT AGREEMENT**

This Settlement Agreement is between Stephen C. Jones ("Operator") (License #33453) 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 instituted in Commission Docket Number 15-CONS-654-CPEN.

### **A. Background**

1. The March 3, 2015, Penalty Order in this docket required Operator to pay \$700 for a total of seven violations of K.A.R. 82-3-111. Operator filed a timely appeal.
2. As documented in the Penalty Order, Operator is responsible for the following wells ("the subject wells"), which are out of compliance with Commission regulations:
  - a. Truelove #1, API #15-031-22151;
  - b. Truelove #7-1, API #15-031-21991;
  - c. Truelove #7-2, API #15-031-22189;
  - d. Truelove #13-1, API #15-031-22150;
  - e. Truelove #18-1, API #15-031-21999;
  - f. Truelove #39, API #15-031-22034; and
  - g. Truelove #41, API #15-031-22035.
3. Operator admits to the seven violations of K.A.R. 82-3-111, but believes that he needs additional time to bring the subject wells into compliance with Commission regulations. Both Operator and Staff are willing to settle this matter under the terms described below.

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

4. Operator shall pay the \$700 currently owed in this docket by June 15, 2015, and shall be found to have committed seven violations of K.A.R. 82-3-111. If Operator fails to timely make the payment, then Operator shall be assessed an additional \$1,000 penalty.

5. Operator shall plug the subject wells or otherwise bring them into full compliance with K.A.R. 82-3-111 by September 1, 2015. If Operator fails to bring the subject wells into compliance by the deadline, then Operator shall be assessed an additional \$2,500 penalty. Transfer of the subject wells to another entity will not alter Operator's responsibilities under this Settlement Agreement.

6. If the subject wells remain out of compliance with K.A.R. 82-3-111 as of December 1, 2015, then Staff is directed to plug the wells and assess the costs to Operator, with an additional \$5,000 penalty.

7. If Operator fails to comply with any deadline in Paragraph 4 or 5, or if additional penalties or costs are owed under Paragraphs 4, 5, or 6, then Staff shall suspend Operator's license until compliance is obtained and all payments due have been made. Operator agrees to waive its right to appeal any suspension of Operator's license implemented by Commission Staff due to Operator's failure to comply with this Settlement Agreement.


#### C. Conclusion

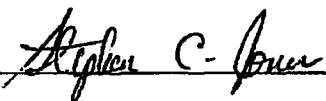
Both parties believe that this Settlement Agreement represents a fair and appropriate resolution to the matters in this docket.

This Settlement Agreement has been agreed to by the undersigned:

Commission Staff

Stephen C. Jones

By: 

By: 

Printed Name: JON MYERS

Printed Name: Stephen C. Jones

Title: LITIGATION COUNSEL

Title: Operator

Date: 5/20/15

Date: 5-18-2015

**CERTIFICATE OF SERVICE**

I certify that on 6/2/15, 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:

Stephen C. Jones  
2332 W. New Orleans  
Broken Arrow, OK 74011

John Almond  
KCC District #3  
1500 W. 7th Street  
Chanute, Kansas 66720

And delivered by hand to:

Jon Myers, Litigation Counsel  
KCC Conservation Division

/s/ Lane R. Palmateer  
Lane R. Palmateer  
Prehearing Officer and Assistant General Counsel  
Kansas Corporation Commission