

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Public Service Commission
Continental Resources Inc.
Damage Prevention Enforcement**

Case No. PU-15-699

ORDER ON CONSENT AGREEMENT

January 4, 2017

Preliminary Statement

On December 19, 2016, the Public Service Commission Advocacy Staff filed a Consent Agreement with Continental Resources Inc.

Discussion

On October 21, 2015, the Commission received a ND One-Call Complaint from Keith Ernst with Ernst Trenching, Inc. alleging a violation by Continental Resources, Inc. (Continental) of North Dakota Century Code section 49-23-04(3) by failing to locate and mark within 24 inches horizontally the location of its underground facilities. Keith Ernst's Complaint indicated there was no underground facility damage or injury.

Continental is a registered North Dakota company with offices located at 20 N Broadway, Oklahoma City, OK 73126-9097. Continental operates underground compressed air facilities.

North Dakota Century Code section 49-23-04(3) provides that an excavator shall "locate and mark or otherwise provide the approximate horizontal location of the underground facilities of the operator" within two feet on either side of the underground facilities. As a result of its investigation, Public Service Commission Advocacy Staff (Advocacy Staff) believed that Continental violated North Dakota Century Code section 49-23-04(3).

On May 31, 2016, Advocacy Staff filed a formal complaint with the Commission.

On July 5, 2016, Continental filed a response contesting the allegations. Continental and Advocacy Staff engaged in good faith settlement discussions resulting in a Consent Agreement.

Under the Consent Agreement, Continental agrees to be assessed a civil penalty of \$7,500. Continental agrees to remit \$7,500, payable to the North Dakota Public Service Commission, within ten business days of service of this Order.

Having considered this matter, the Commission finds the Consent Agreement filed on December 19, 2016 is reasonable and acceptable. Therefore, the Commission issues the following:

Order

The Commission Orders:

1. The Consent Agreement filed by Continental and Advocacy Staff on December 19, 2016 is approved. A copy of the Consent Agreement is attached to and made a part of this Order.
2. Continental will remit a penalty of \$7,500, payable to the North Dakota Public Service Commission within ten business days of service of this Order.

PUBLIC SERVICE COMMISSION



Brian P. Kalk
Commissioner



Randy Christmann
Chairman



Julie Fedorchak
Commissioner

December 19, 2016

Via Hand Delivery

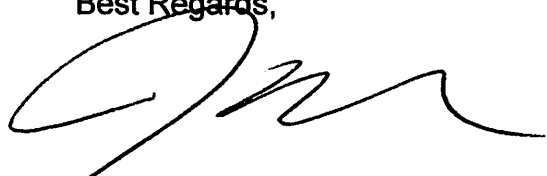
Mr. Darrell Nitschke
Executive Secretary
ND Public Service Commission
600 E. Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480

Re: Case No. PU-15-699
Public Service Commission
Continental Resources Inc.
Damage Prevention Enforcement

Dear Mr. Nitschke:

Enclosed for filing in the above matter, please find the signed consent agreement.

Best Regards,

A handwritten signature in black ink, appearing to read 'John Schuh', written in a cursive style.

John Schuh
PSC Legal Department

Enclosure

BEFORE THE PUBLIC SERVICE COMMISSION OF NORTH DAKOTA

PUBLIC SERVICE COMMISSION,)	
)	
Complainant,)	Case No. PU-15-699
)	
vs.)	CONSENT AGREEMENT
)	
Continental Resources, Inc.,)	
)	
Respondent .)	

Preliminary Statement

On October 21, 2015, the Commission received a ND One-Call Complaint from Keith Ernst with Ernst Trenching, Inc. The complaint alleged a violation by Continental Resources, Inc. ("Continental") of North Dakota Century Code section 49-23-04(3) of the One-Call Excavation Notice System by failing to locate and mark within 24 inches horizontally the location of its underground facilities.

North Dakota Century Code section 49-23-04(3) provides that an operator shall "locate and mark or otherwise provide the approximate horizontal location of the underground facilities of the operator" within two feet on either side of the underground facilities. As a result of its investigation, Public Service Commission Advocacy Staff ("Advocacy Staff") believed Continental violated North Dakota Century Code section 49-23-04(3) and Advocacy Staff initiated an administrative action against Continental.

Continental and Advocacy Staff engaged in good faith settlement discussions resulting in this Consent Agreement. Having agreed that settlement of this proceeding will avoid further administrative proceedings or litigation and that entry of this Consent

Agreement is the most appropriate means of resolving this administrative action, Advocacy Staff and Continental make the following agreement, subject to the approval and acceptance of the Commission:

1. On May 31, 2016, Advocacy Staff filed a formal complaint with the Commission.
2. The Public Service Commission's administrative action against Continental sought to impose a penalty of up \$25,000, but at least \$7,500 for the violation alleged in Advocacy Staff's complaint.
3. On July 5, 2016, Continental filed a response to the formal complaint denying the allegations contained therein.
4. This Agreement is intended to resolve all of the violations alleged in the complaint.

Advocacy Staff and Continental agree to settle this matter on the following terms:

- a. Continental agrees to immediately pay a fine of \$7,500, payable to the North Dakota Public Service Commission within ten business days of service of a Commission Order approving this Consent Agreement.
- b. If approved by the Commission, Continental expressly waives any further procedural requirements with respect to the issuance of the Consent Agreement and Order. Continental waives its right to contest this matter or the validity of this Consent Agreement and Order, including all rights to administrative or judicial hearings or appeals.
- c. For purposes of this Agreement, Continental neither admits nor denies the violations alleged in the complaint. Continental retains the right to dispute the alleged violations in any subsequent proceedings, other than proceedings to implement or enforce this Agreement. Neither the fact that

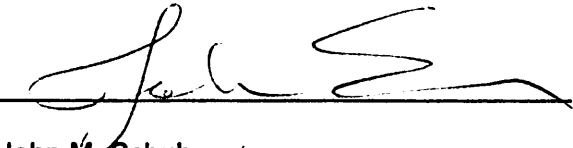
Continental has consented to the Agreement, or the statements in it, shall be used for any purpose in any proceeding except the enforcement by Continental and the Commission of this Agreement. As to others who are not Parties to this proceeding, nothing contained in this Agreement is an admission by Continental and is not a waiver of any right, cause of action, or defense otherwise available to Continental other than specifically waived.

- d. There are no covenants, promises, undertakings, or understandings other than specifically set forth in this Agreement and Order.
5. This agreement may be executed in counterparts and duplicate copies, each which shall be deemed to be an original, and which, when taken together, shall constitute one and the same instrument.
6. The undersigned is authorized to act on behalf of Continental and bind Continental for purposes of this Consent Agreement, and knows and fully understands the content and effect.

Dated this 19th day of December, 2016

**PUBLIC SERVICE COMMISSION
ADVOCACY STAFF – DAMAGE PREVENTION**

By: _____


John M. Schuh
Advocacy Counsel
12th Floor, Dept. 408
600 Boulevard Ave.
Bismarck, ND 58505-0480

Dated this 16th day of December, 2016

Continental Resources, Inc.

By: Bradley A. Amman, VP Northern
Region Production
{insert name and title}

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