

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

In the Matter of the Application of Grand Mesa)	Docket No. 25-CONS-3001-CWLE
Operating Company for a well location)	
exception for its Moeckel Unit 1-32 well, to be)	CONSERVATION DIVISION
located in the W/2 NW/4 of Section 32,)	
Township 23 South, Range 9 West, Reno)	License No. 9855
County, Kansas.)	

**APPLICATION
FOR WELL LOCATION EXCEPTION AND ALLOWABLE**

Grand Mesa Operating Company (“Operator”) files this Application for Well Location Exception and Allowable (“Application”) with the State Corporation Commission of the State of Kansas (“Commission”) requesting an order authorizing the drilling of its Moeckel Unit 1-32 well (“Subject Well”) at the location specified below and for the assignment of a full allowable to said well. In support of its Application, Operator states and alleges as follows:

1. Operator is a Kansas corporation whose mailing address is 1700 N. Waterfront Parkway, Building 600, Wichita, Kansas, 67206, and who is in good standing with the Kansas Secretary of State to do business in Kansas.

2. The Commission has issued Operator oil and gas operator’s License No. 9855, which license is in full force and effect through August 30, 2024.

3. Operator is an owner and the operator of a valid subsisting oil and gas leases covering the following described tracts of land:

Tract 1: NW/4 of Section 32-T23S-R9W, Reno County, Kansas, less a tract described as Commencing at the NW/c of said NW/4; thence with an assumed bearing of North 89°43’06” East along the North line 858.94’ for a point of beginning; thence continuing North 89°43’06” East along the North line 490.30’; thence South 00°50’26” East 690.00’; thence South 89°43’06” West parallel with the North line 490.30’; thence North 00°50’26” West 690.00’ to the point of beginning.

Tract 2: W/2 SW/4 of Section 29-T23S-R9W, Reno County, Kansas, less a 4.415-acre tract described as Commencing at the SW/c of said SW/4; thence North 00°15'40" West a distance of 965.86' along the West line of said SW/4 to a point of beginning; thence continuing North 00°15'40" West a distance of 485.14' along the West line of said SW/4; thence South 88°45'58" East a distance of 400.60'; thence South 00°41'31" West a distance of 485.00'; thence North 88°45'57" West a distance of 392.54' to the point of beginning.

Operator intends to unitize its leases covering Tract 1 and Tract 2 to allow for the drilling of the Subject Well at a legal location as between said leases ("Moeckel Unit").¹ The Subject Well would be drilled on Tract 1.

4. Operator desires to drill and complete the Subject Well at a location on the Moeckel Unit that is 730' from the West line and 183' from the North line of Section 32-T23S-R9W, Reno County, Kansas, which location is 123' from the eastern boundary of the unit. The Subject Well would be drilled to a true vertical depth of approximately 5,000' measured from surface to test the Viola formation for oil and gas reserves.

5. K.A.R. 82-3-108(a) prescribes a 330' setback from any lease or unit boundary for any well drilled in Reno County, Kansas. K.A.R. 82-3-108(c) provides that a well location exception may be granted to permit drilling a well within the prescribed setback if necessary to prevent waste or to protect correlative rights.

6. Operator requests a well location exception pursuant to K.A.R. 82-3-108(c) because Operator desires to drill the Subject Well at a location that is 123' from the eastern boundary line of the Moeckel Unit.

7. Drilling the Subject Well at the proposed location is necessary to prevent waste and to protect correlative rights. Operator's technical staff and geophysical consultants have interpreted geophysical data and determined that the location proposed is the optimal location to

¹ The Moeckel Unit is comprised of 30 acres, and is described and depicted on Exhibit C.

drill the Subject Well to effectively test the Viola formation for oil and gas reserves. Moving the location of the Subject Well to the West to comply with the minimum setback is not feasible, because the Subject Well would be drilled off structure dramatically increasing dry hole risk, which would result in physical and economic waste.

8. Drilling the Subject Well at the proposed location is necessary to protect the correlative rights of Operator and its lessor-mineral owners. The identified reservoir within the Viola formation abuts the eastern boundary of the Moeckel Unit. Operator has attempted to acquire an oil and gas lease from the mineral owner of the tract of land (“Offset Tract”) whose property line is situated less than 330’ from the proposed location of the Subject Well. Operator has even offered the owner of the Offset Tract a “no-drill” lease that would allow Operator to form a unit so that the Subject Well could be drilled at a legal location and not upon the Offset Tract. The owner of the Offset Tract refuses to consider an oil and gas lease on any terms, which violates the correlative rights of Operator and its lessor-mineral owners, and results in waste of natural resources.

10. Exhibit A is a plat showing the boundaries of the Moeckel Unit and the Offset Tract. Exhibit A also depicts the proposed location of the Subject Well, other adjacent lands, along with all completed, partially drilled and permitted wells on said lands. A proposed Notice of Intent to Drill (Form C-1) is attached as Exhibit B.

11. Listed below is each offset unleased mineral owner whose property line is located less than 330’ from the proposed location of the Subject Well, other than those persons included in the Moeckel Unit. The result of forming the Moeckel Unit, is that Operator has no lessors of offsetting leases that it operates entitled to notice pursuant to K.A.R. 82-3-108(d)(3)(C) and -

108(f). There are likewise no offset operators whose lease line is located less than 330' from the proposed location of the Subject Well.

Brent A. & Kristen Fowler
28511 W Illinois Ave.
Plevna, KS 67568

12. Operator requests a full allowable be assigned to the Subject Well in accordance with the provisions of K.A.R. 82-3-203 (oil allowable in non-prorated pool) and K.A.R. 82-3-312 (gas allowable in non-prorated pool), and further requests the assignment of a full attribution unit.

13. Pursuant to K.A.R. 82-3-108(f), notice of this Application will be provided to all those persons identified in paragraph 11 above, and will be published in the *Wichita Eagle* and the *Ninnescah Valley News*, the official newspaper of Reno County, Kansas, in accordance with K.A.R. 82-3-135a(d). Notice will therefore be lawful and proper in all respects. Each publisher's affidavit will be provided to the Commission upon receipt. A copy of the Notice of Application will be filed in this docket.

WHEREFORE, Operator requests that the Commission docket this Application and, if no interested party files a timely and proper protest, enter an order administratively granting this Application and authorizing the drilling of the Subject Well at the location proposed and assigning it a full oil and gas allowable without incurring the time and expense of an evidentiary hearing. In the event a valid protest is timely filed, Operator requests that the Commission set this Application for hearing and, upon such hearing, grant the order requested, and to afford such other and further relief as the Commission deems just and proper.

Respectfully submitted,

MORRIS LAING LAW FIRM

By: 

Jonathan A. Schlatter, #24848
300 N. Mead, Suite 200
Wichita, KS 67202-2745
Telephone: 316-262-2671
Facsimile: 316-262-6226
jschlatter@morrislaing.com
Attorneys for Grand Mesa Operating Company

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

Jonathan A. Schlatter, being of lawful age and first duly sworn upon his oath, deposes and says:

That he is the attorney for Grand Mesa Operating Company; he has read the above and foregoing Application and is familiar with the contents thereof, and that the statements made therein are true and correct to the best of his knowledge and belief.


Jonathan A. Schlatter

SIGNED AND SWORN to before me this 9th day of July, 2024.


Notary Public

My Appointment expires: 11/05/2024



EXHIBIT A
Plat

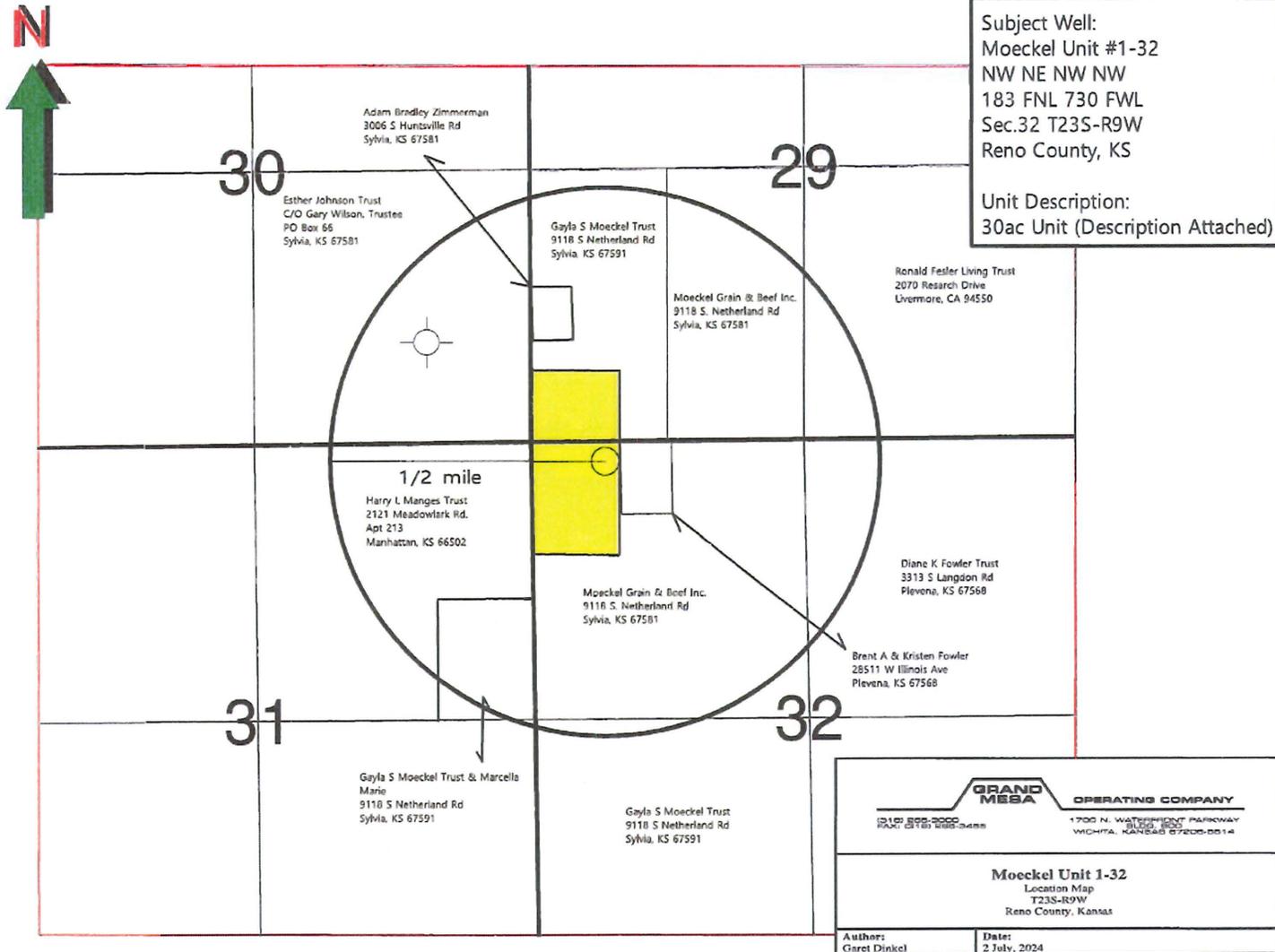


EXHIBIT B

Notice of Intent to Drill

Attached

For KCC Use ONLY

API # 15 - _____

DRAFT

Side Two

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: Grand Mesa Operating Company

Lease: MOECKEL UNIT

Well Number: 1-32

Field: Wildcat

Number of Acres attributable to well: 30

QTR/QTR/QTR/QTR of acreage: NW - NE - NW - NW

Location of Well: County: Reno

183 feet from N / S Line of Section

730 feet from E / W Line of Section

Sec. 32 Twp. 23 S. R. 9 E W

Is Section: Regular or Irregular

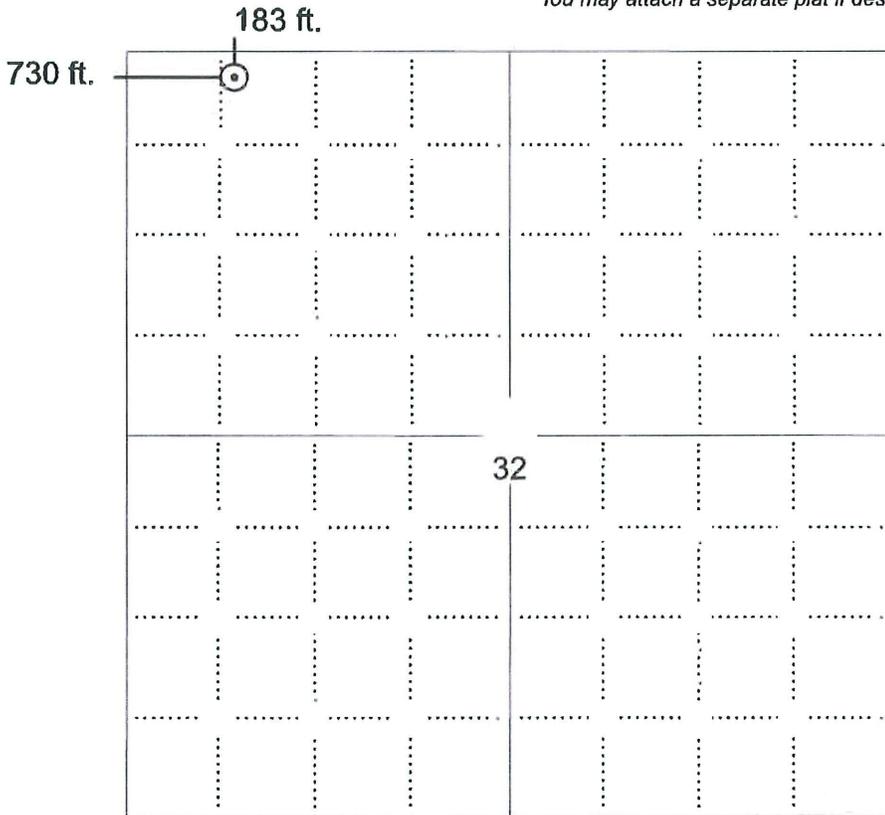
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

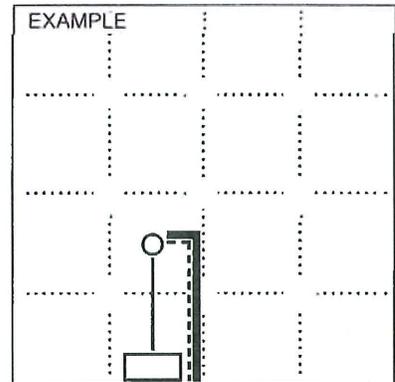
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).

You may attach a separate plat if desired.



LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



NOTE: In all cases locate the spot of the proposed drilling location.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

DRAFT
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form GDP-1
 May 2010
 Form must be Typed

Submit in Duplicate

Operator Name: Grand Mesa Operating Company		License Number: 9855
Operator Address: 1700 N WATERFRONT PKWY BLDG 600		WICHITA KS 67206
Contact Person: Michael J Reilly		Phone Number: 316-265-3000
Lease Name & Well No.: MOECKEL UNIT 1-32		Pit Location (QQQQ): NW - NE - NW - NW
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 7125 (bbls)	Sec. 32 Twp. 23 R. 9 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 183 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 730 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Reno County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Native clay
Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit: 836 feet Depth of water well 51 feet		Depth to shallowest fresh water 8 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Native clay Number of working pits to be utilized: 1 Abandonment procedure: Evaporate & backfill. Level location and return as close as possible to its natural state after drilling operations are complete. Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
_____ Date		_____ Signature of Applicant or Agent

KCC OFFICE USE ONLY					
		<input type="checkbox"/> Liner	<input type="checkbox"/> Steel Pit	<input type="checkbox"/> RFAC	<input type="checkbox"/> RFAS
Date Received: _____	Permit Number: _____	Permit Date: _____	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

DRAFT
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1
July 2021
Form Must Be Typed
Form must be Signed
All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # 9855
Name: Grand Mesa Operating Company
Address 1: 1700 N WATERFRONT PKWY BLDG 600
Address 2: _____
City: WICHITA State: KS Zip: 67206 + 5514
Contact Person: Michael J Reilly
Phone: (316) 265-3000 Fax: (316) 265-3455
Email Address: mreilly@gmocks.com

Well Location:
NW NE NW NW Sec. 32 Twp. 23 S. R. 9 East West
County: Reno
Lease Name: MOECKEL UNIT Well #: 1-32

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: Moeckel Grain & Beef Inc.
Address 1: 9118 S. Netherland Rd
Address 2: _____
City: Sylvia State: KS Zip: 67581 + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (see Chapter 55 of the Kansas Statutes Annotated), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

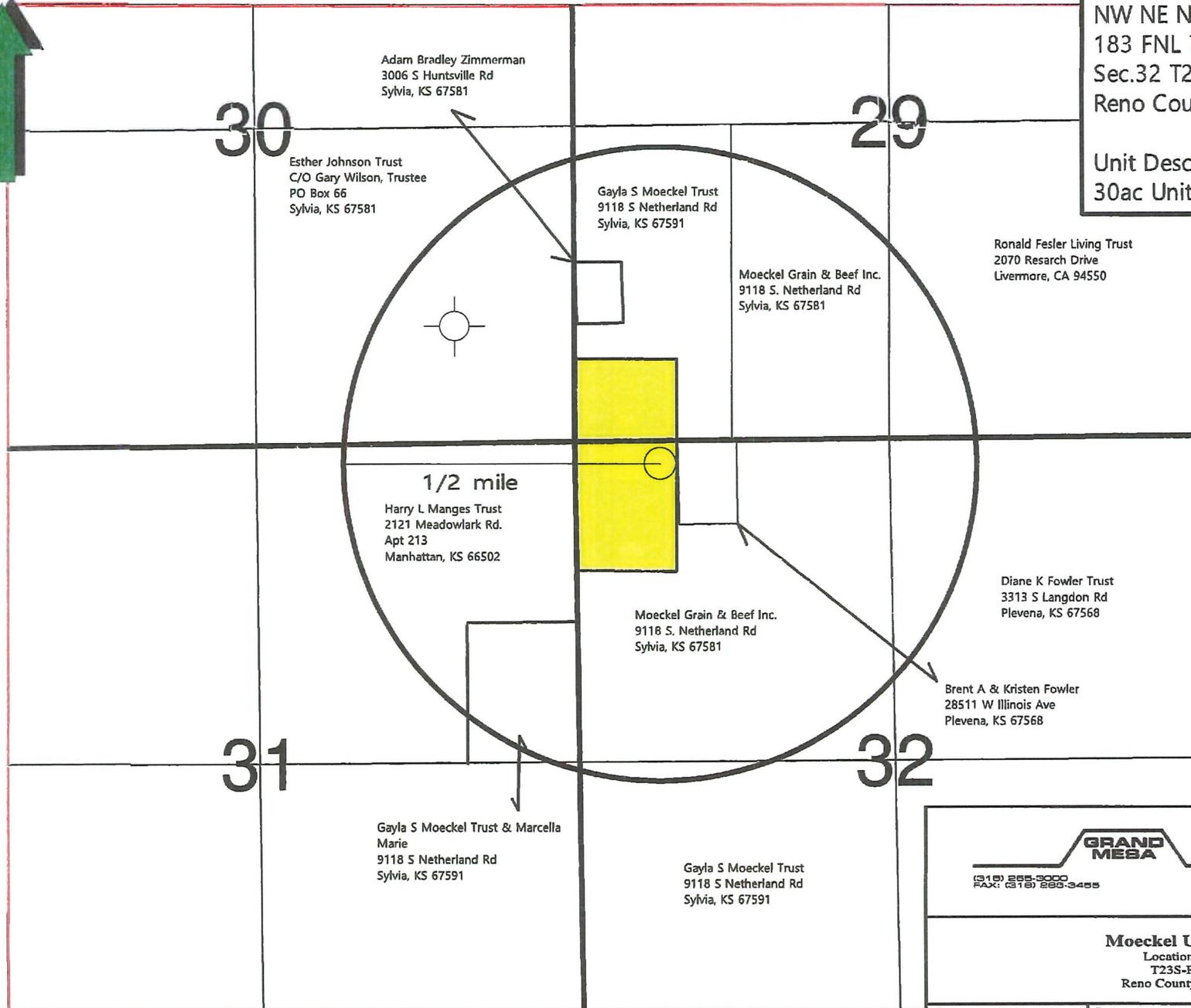
Date: _____ Signature of Operator or Agent: _____ Title: _____

N



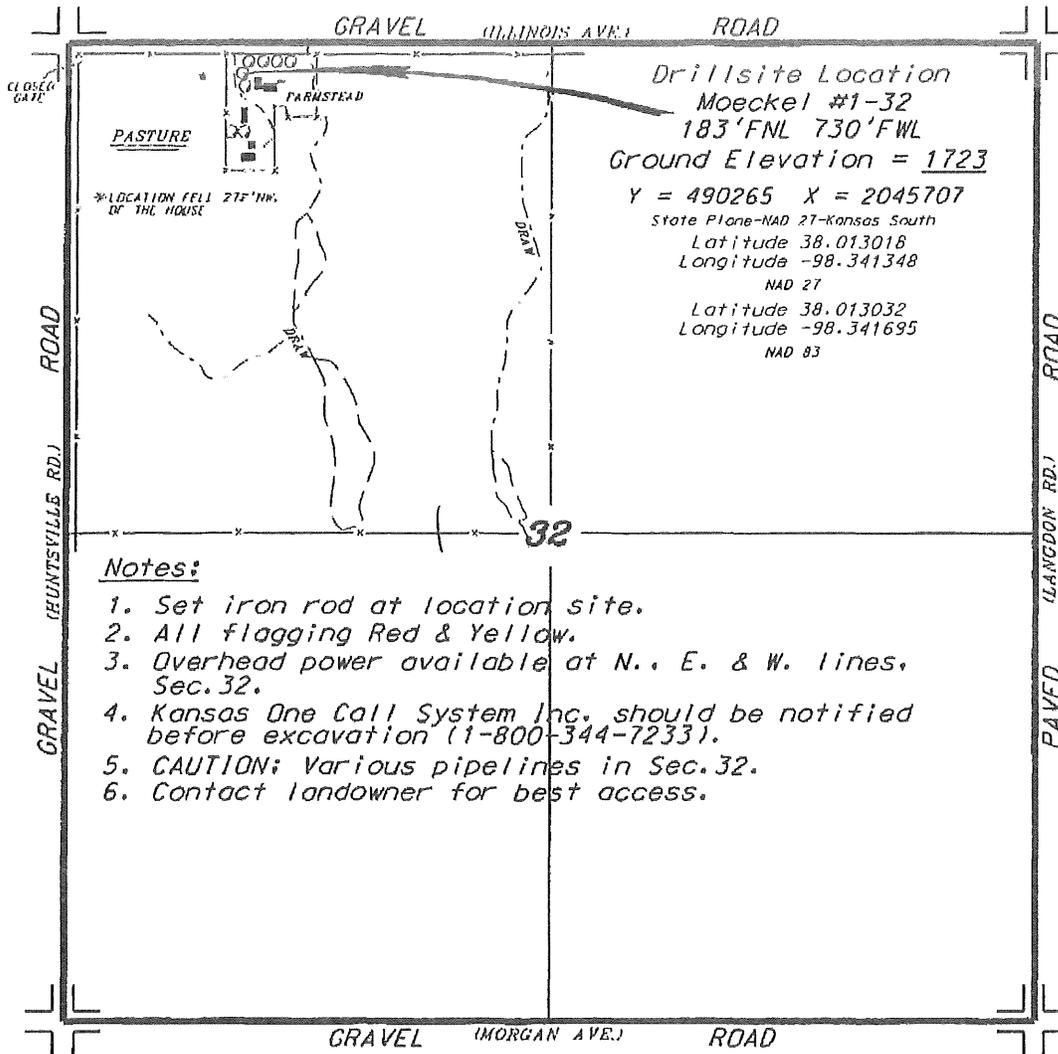
Subject Well:
 Moeckel Unit #1-32
 NW NE NW NW
 183 FNL 730 FWL
 Sec.32 T23S-R9W
 Reno County, KS

Unit Description:
 30ac Unit (Description Attached)



GRAND MESA		OPERATING COMPANY	
(318) 888-3000 FAX: (318) 888-3455		1700 N. WATERFRONT PARKWAY BLDG. 800 WICHITA, KANSAS 67208-5814	
Moeckel Unit 1-32 Location Map T23S-R9W Reno County, Kansas			
Author: Garet Dinkel		Date: 2 July, 2024	

GRAND MESA OPERATING COMPANY
 MOECKEL LEASE
 NW. 1/4, SECTION 32, T23S, R9W
 RENO COUNTY, KANSAS

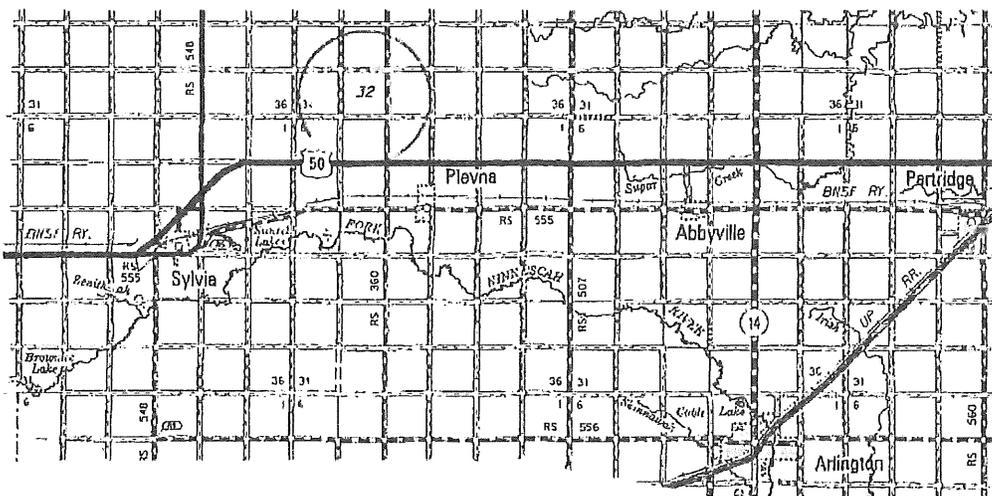


Drillsite Location
 Moeckel #1-32
 183'FNL 730'FWL
 Ground Elevation = 1723
 Y = 490265 X = 2045707
 State Plane-NAD 27-Kansas South
 Latitude 38.013018
 Longitude -98.341348
 NAD 27
 Latitude 38.013032
 Longitude -98.341695
 NAD 83

Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available at N., E. & W. lines, Sec. 32.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 32.
6. Contact landowner for best access.

* Ingress and egress to location as shown on this plat is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



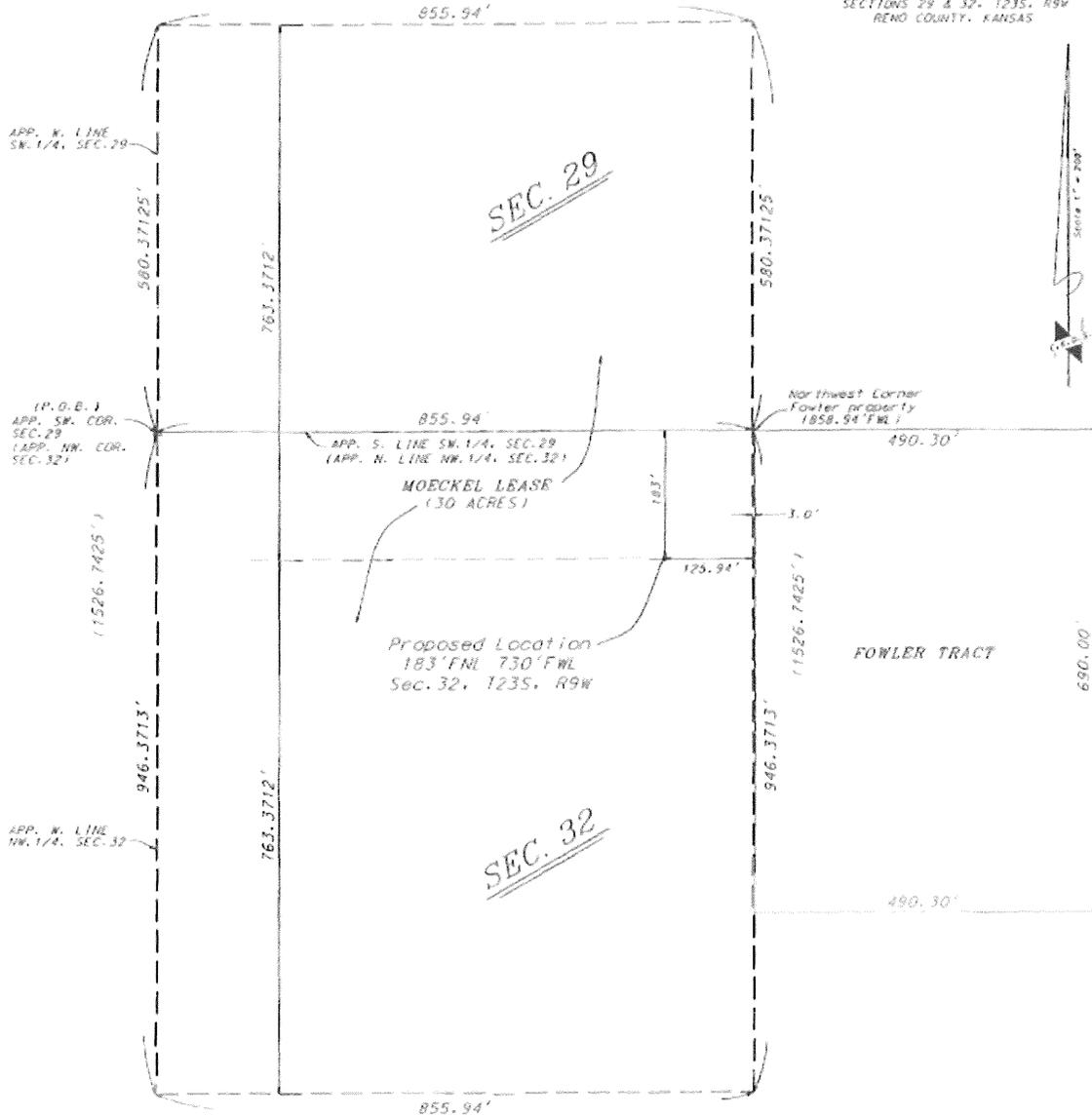
* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
 * Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed, therefore, the operator securing this service will accept this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.
 * Elevations derived from National Geodetic Vertical Datum.

Date June 19, 2024

EXHIBIT C
Moeckel Unit
Depiction and Legal Description

UNIT SKETCH

SECTIONS 29 & 32, T23S, R9W
 RENO COUNTY, KANSAS



Lease Description

That part of the Southwest Quarter of Section 29 and the Northwest Quarter of Section 32, Township 23 South, Range 9 West of the 6th Principal Meridian, Reno County, Kansas, described as follows:

Commencing at the southwest corner of said Section 29; said point being the point of beginning of the unit to be described; thence North, along the west line of the Southwest Quarter of said section, a distance of 580.37125 feet, thence East parallel to the south line of the Southwest Quarter of said section, a distance of 855.94 feet; thence South parallel to the west line of the Southwest Quarter of said section, said point being 855.94 east of the southwest corner of said section 29, thence continuing South, parallel to the west line of the Northwest Quarter of Section 32 a distance of 946.3713 feet, thence West, parallel to the north line of the Northwest Quarter of Section 32 a distance of 855.94 feet to the west line of the Northwest Quarter of said section, thence North a distance of 946.3713 feet to the point of beginning. The above described unit contains 30.0 acres.

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OF THE STATE OF KANSAS**

In the Matter of the Application of Grand Mesa)	Docket No. 25-CONS-3001-CWLE
Operating Company for a well location)	
exception for its Moeckel Unit 1-32 well, to be)	CONSERVATION DIVISION
located in the W/2 NW/4 of Section 32,)	
Township 23 South, Range 9 West, Reno)	License No. 9855
County, Kansas.)	

NOTICE OF APPLICATION

TO ALL: OIL AND GAS OPERATORS, PRODUCERS AND LESSEES, OIL AND GAS LESSORS AND ROYALTY OWNERS, UNLEASED AND OFFSETTING MINERAL INTEREST OWNERS, LANDOWNERS, AND ALL PERSONS CONCERNED:

You are hereby notified that Grand Mesa Operating Company ("Operator"), has filed with the Kansas Corporation Commission an application requesting a well location exception and full oil and gas allowable for its Moeckel Unit 1-32 well to be located 730' from the West line and 183' from the North line of Section 32-T23S-R9W, Reno County, Kansas, which location is 123' from the eastern boundary of the Moeckel Unit. Operator plans to drill the well to a depth of 5,000' measured from surface to test the Viola formation for oil and gas reserves.

The application is pending with the Commission. Any persons who object or protest to such application shall be required to file their objections or protests in writing with the Commission within 15 days from the date of this publication. If a written protest is not timely filed, the application may be determined administratively by the Commission and may thereby be granted without hearing or further notice to any interested party. All objections and protests shall clearly state the reasons why granting the application will violate correlative rights, cause waste or pollution. Objections or protests shall be mailed to the Kansas Corporation Commission, Conservation Division, 266 N. Main St., Ste. 220, Wichita, KS 67202, with a copy to applicant's attorneys listed below. All parties in any way interested or concerned shall take notice of the foregoing and govern themselves accordingly.

Jonathan A. Schlatter, #24848
MORRIS LAING LAW FIRM
300 N. Mead, Suite 200
Wichita, KS 67202-2745
Office (316) 262-2671
Attorneys for Grand Mesa Operating Company

CERTIFICATE OF SERVICE

I certify that on this 9th day of July, 2024, I caused the original of the foregoing Application and the Notice of Application to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and caused true and correct copies of the same to be deposited in the United States Mail, postage prepaid, and properly addressed to the individuals described in paragraph 11 of the Application.



Jonathan A. Schlatter