

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

Before Commissioners:                    Mark Sievers, Chairman  
    Ward Loyd  
    Thomas E. Wright

In the Matter of the Application of KC ) Docket No. 12-CONS-264-CWLE  
Resources, Inc. for a Well Location )  
Exception for the Miles A-9 Well, Located in ) CONSERVATION DIVISION  
Section 30, Township 27 South, Range 10 )  
West, Kingman County, Kansas. )  
\_\_\_\_\_ ) License No.: 3880

**ORDER GRANTING APPLICATION**

Now, the above captioned matter comes on for consideration and determination by the State Corporation Commission of the State of Kansas ("Commission" or "KCC").

An application was filed on May 3, 2012, by KC Resources, Inc. ("KC Resources" or "Applicant"), for a well location exception and the assignment of a full production allowable for the Miles A-9 well in Kingman County, Kansas. Notice was published at least fifteen (15) days prior to the granting of this application in *The Wichita Eagle* newspaper and in *The Kingman Leader-Courier* newspaper, stating that this matter would be granted without a hearing if no protests were received within fifteen (15) days from publication; there were no protests. The Commission, after giving consideration to the records and files, makes the following findings and conclusions:

1. KC Resources is a foreign corporation authorized to do business in Kansas that can be served through its resident agent, Rob Eisenhauer, at 407 S. Main, PO Drawer 825, Pratt, Kansas 67124. KCC records indicate the operator is currently licensed to conduct oil and gas activities in Kansas pursuant to K.S.A. 55-155.

2. The application in this docket was filed pursuant to the rules and regulations of the State Corporation Commission and the Kansas Statutes, thus fulfilling all regulatory and statutory requirements.

3. Notice was proper in every respect and was published as prescribed by the Commission's rules and regulations; notice was furnished at least fifteen (15) days prior to the granting of the application to all interested parties. There were no protests.

4. The Applicant's Miles A-9 is to be located:

200 feet from the North line and 338 feet from the East line of Section 30, Township 27 South, Range 10 West, Kingman County, Kansas.

5. According to K.A.R. 82-3-108, wells shall not be drilled closer than 330 feet from any lease or unit boundary. Exceptions may be granted to the regulation to prevent waste or to protect correlative rights.

6. Applicant's Miles A-9 well is to be located at a distance nearer than 330 feet from the nearest boundary. Applicant has selected the described well site to avoid the plugged and abandoned Miles A-1 wellbore and as the most advantageous geological position to assure reservoir availability.

7. The acreage to be attributed to the Miles A-9 well is:

A 40 acre unit surrounding the well located in the Northeast Quarter in Section 30, Township 27 South, Range 10 West, Kingman County, Kansas.

8. The Commission finds that an exception to the well location restrictions under K.A.R. 82-3-108 should be granted and the Applicant should receive a full production allowable for the Miles A-9 well to prevent waste and to protect correlative rights.

9. The application should be granted in accordance with the above findings.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED:** That the application of KC Resources, Inc., for a well location exception for the Miles A-9 well is granted, and a full allowable pursuant to K.A.R. 82-3-207 is assigned to said well.

Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). Such petition shall be filed within fifteen (15) days after service of this Order and must state the specific grounds upon which relief is requested. This petition for reconsideration shall be filed with the Executive Director of the Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, Kansas 67202-3802.

The Commission retains jurisdiction of the subject matter and the parties for the purpose of entering such further Order or Orders as from time-to-time it may deem proper.

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

Sievers, Chmn.; Loyd, Com.; Wright, Com.

Date: JUN 06 2012



Patrice Petersen-Klein  
Executive Director

Date Mailed: 06-06-2012

RAH

I CERTIFY THE ORIGINAL  
COPY IS ON FILE WITH  
The State Corporation Commission

JUN 06 2012



**CERTIFICATE OF SERVICE**

I hereby certify that on 06-06-2012, I caused a true and correct copy of the foregoing "Order Granting Application" to be served by placing the same in the United States mail, postage prepaid, to the following parties:

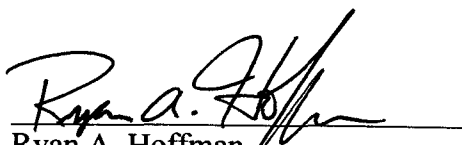
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