DEC 26 2018

2018-12-27 09:38:00 Kansas Corporation Commission /s/ Lynn M. Retz

CONSERVATION DIVISION WICHITA, KS

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Shari Feist Albrecht, Chair

Jay Scott Emler Dwight D. Keen

In the matter of the Application of Hummon
Corporation for an exception to the 10-year
time limitation of K.A.R. 82-3-111 for
its Elizabeth 1-6 well located in the SE/4
of Section 6, Township 34 South, Range

15 West, Barber County, Kansas.

Docket No 15-CONS-940-CPEN

CONSERVATION DIVISION

CONSERVATION DIVISION

License No.: 5050

APPLICATION

COMES NOW Hummon Corporation ("Applicant") in support of its Application in the captioned matter and states as follows:

- Applicant is a corporation authorized to do business in the State of Kansas.
 Applicant's address is PO Box 365, Medicine Lodge, Kansas, 67104.
- 2. Applicant has been issued by the Kansas Corporation Commission Operator's License 5050, which expires on June 30, 2019.
- 3. Applicant is the owner and operator of the Elizabeth 1-6 well, 15-007-22549-00-00 ("the subject well"), which is located in the Southeast Quarter of the Southeast Quarter of Section 6, Township 34 South, Range 15 West, Barber County, Kansas.

 The subject well is located on an active oil and gas lease or unit compromising the following lands:

Southeast Quarter of Section 6, Township 34 South, Range 15 West, Barber County, Kansas, containing 160 acres, more or less ("leased premises").

- 4. Pursuant to K.A.R. 82-3-111, the well was shut in, or Applicant obtained temporary abandonment status, for the subject well on February 1, 2005. The subject well has maintained such status from February 1, 2005, to the present date.
- 5. On or about March 3, 2015, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after April 2, 2015, because subject well had been temporarily abandoned for more than ten (10) years.
- 6. K.A.R. 82-3-111 imposes a 10-year limitation on the amount of time during which wells may be temporarily abandoned, but an exception to the 10-year limitation may be obtained pursuant to said regulation through an Application filed with the Commission pursuant to K.A.R. 82-3-100. Applicant seeks such an exception.
- 7. On December 21, 2018, the subject well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within fifty (50) feet above the uppermost perforation or open hole in the well.
- 8. Applicant wishes to continue TA status for the subject well, because Applicant intends to use the well for the following purpose: Production of oil and gas in zones that have not yet been produced.
- 9. Applicant submits the following information regarding the well in support of the Application. The Elizabeth 1-6 is the only well on this lease. It is an oil well. Current production for this lease is 0 barrels per day. Based on current prices, Applicant estimates that plugging costs would be \$14,000. Applicant is unable to estimate the value of the reserves at this time. The unproduced zones have not been evaluated in this field and Applicant would like to evaluate other producing wells before further exploring this lease. Applicant has a plug set above the

upper perforations. To use the well, Applicant will need to drill out the plug, perforate and evaluate new zones. Applicant estimates the cost of reworking this well to be \$42,000 at current prices.

- 10. Applicant has included a plat map showing the locations of all producing, injection, temporarily abandoned, abandoned, and plugged wells located on the same leased premises as the subject well.
- 11. Based on the foregoing, Applicant requests the Commission grant an exception to the 10-year limitation, specifically to allow the subject well to remain eligible for temporary abandonment status three (3) years following the expiration of three (3) years extension of the 10-year limitation. Applicant understands that the exception would be valid for three (3) years, but Applicant would still need to apply annually to the Conservation Division District Office for approval of an application for temporary abandonment status.
- 12. Listed in the attached Exhibit "A" are the names and addresses of the following persons:
 - a. Each operator of each oil and gas lease covering lands within one-half (1/2) mile radius of the subject well; and
 - b. Each person who owns any mineral interest of record in and under any lands located within one-half (1/2) mile radius of subject well (provided that such mineral interest is not covered by any oil and gas lease).
- 13. Notice of this Application will be published pursuant to K.A.R. 82-3-135a. In addition, notice of the hearing to be held in this matter will be provided as prescribed by K.A.R. 82-3-135.

WHEREFORE, Applicant prays that this matter be granted administratively without a hearing, or in the alternative be set for hearing, and upon hearing that the Commission grant Applicant's request, for an exception to the K.A.R. 82-3-111 ten (10) year limitation, to allow the subject well to remain temporarily abandoned for three (3) years, subject to annual approval by the Conservation Division District Office of an application for temporary abandonment status.

Respectfully Submitted,

Hummon Corporation PO Box 365

Medicine Lodge, KS 67104

Phone: 620-930-2645 Fax: 620-930-2648

Zyler Bell

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CERTIFICATE OF SERVICE

I hereby certify on this 21st day of December 2018, true and correct copies of the above and foregoing Application and the Notice of Application were served by depositing copies of the same in the United States Mail, postage prepaid, and properly addressed to the landowner/s set forth in Paragraph 12 of said Application and each party set forth in Exhibit "A" attached to said Application filed by Applicant, and the original and seven (7) copies were hand delivered to the Kansas Corporation Commission.

Tyler Bell