

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

Before Commissioners:           Dwight D. Keen, Chair  
  Shari Feist Albrecht  
  Susan K. Duffy

In the matter of the application of Prairie            )  
Energy, LC for an exception to the 10-year time    )  
limitation of K.A.R. 82-3-111 for its Snell #2    )  
gas well located in the SW/4 of Section 35,       )  
Township 22 South, Range 38 West, Kearny       )  
County, Kansas.                                        )  
Docket No. 20-CONS-3045-CEXC  
CONSERVATION DIVISION  
License No. 6067

**APPLICATION FOR EXCEPTION**

Prairie Energy, LC (“Applicant”) files this Application for Exception (“Application”) requesting an exception pursuant to K.A.R. 82-3-100(b) to the ten-year temporary abandonment time limitation set forth in K.A.R. 82-3-111(b) for its Snell #2 gas well located in Kearny County, Kansas. In support of its Application, Applicant states as follows:

1.       Applicant is a Kansas limited liability company whose mailing address is 1240 Glenbrook Drive, Oklahoma City, OK, 73118.
2.       The Commission has issued Applicant oil and gas operator’s License No. 6067, which license is in full force and effect through January 30, 2020.
3.       Applicant is the operator of the Snell #2 gas well (“Subject Well”), API No. 15-093-20658-0000, located in the Southwest Quarter (SW/4) of Section 35, Township 22 South, Range 38 West, Kearny County, Kansas, at a location approximately 1,320’ from the South line and 3,960’ from the East line of said section. The Subject Well is located on an active oil and gas

lease that has been consolidated to form a basic proration unit for the Hugoton/Panoma Council Grove Field comprised of the following-described lands situated in Kearny County, Kansas:

Township 22 South, Range 38 West

Section 27: S/2

Section 34: NE/4

Section 35: SW/4

4. The Subject Well was shut-in on or about July 31, 2008. Since that time, the Commission has annually granted temporary abandonment status for the Subject Well. The Subject Well has maintained such status from July 31, 2008 to the present date.

5. On July 9, 2019, the Commission notified Applicant that temporary abandonment status for the Subject Well would be denied from and after August 6, 2019 because the Subject Well has been temporarily abandoned for more than ten years.

6. K.A.R. 82-3-111 imposes a ten-year limitation on the amount of time during which a well may be temporarily abandoned. K.A.R. 82-3-111(b) provides that an exception to this ten-year limitation may be obtained, provided an application seeking such an exception is filed pursuant to K.A.R. 82-3-100(b). This Application seeks such an exception for the Subject Well.

7. On or about July 23, 2019, the Subject Well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within 50' above the uppermost perforation in the Subject Well.

8. Applicant wishes to continue the temporary abandonment status for the Subject Well to allow it time to bring the Subject Well back into production.

9. Applicant recently replaced parted rods on the Subject Well and installed a new downhole pump. At that time Applicant tested the Subject Well for gas production, and the test showed the Subject Well has the ability to produce gas. Applicant seeks this exception to allow

it time to continue working on the the well to bring it back into production. The Subject Well has an available gas market, and historic gas production indicates that the Subject Well may be capable of producing 5,000-8,000 mcf of natural gas annually. Applicant can economically operate the Subject Well at this level of production because the cost to operate the Subject Well is low, in part because the Subject Well is connected to a saltwater disposal system. The estimated cost to plug and abandon the Subject Well is \$20,000. Because the Subject Well is capable of economically producing gas reserves, granting the Application will prevent waste and protect correlative rights.

10. The Subject Well presents no threat to fresh and usable water resources. The surface casing is set to a depth of 318', below the base of the known freshwater table. The most recent fluid level test taken June 20, 2019, measured fluid 2,363' from surface, well below the base of the freshwater table. Moreover, as noted above, the Subject Well passed a mechanical integrity test demonstrating the casing is in satisfactory condition.

11. A plat map showing the locations of all producing, injection, temporarily abandoned, abandoned, and plugged wells within 1/2-mile of the Subject Well is attached as Exhibit A.

12. For the foregoing reasons, Applicant requests that the Commission grant an exception to the ten-year time limitation for temporary abandonment status set forth in K.A.R. 82-3-111, and allow the Subject Well to remain eligible for temporary abandonment status for a period of three years following the expiration of the ten-year time limitation. While the Subject Well remains shut-in during such three-year period, Applicant will continue to annually make temporary abandonment applications to the Conservation Division District Office.

13. The following is a list of the names and addresses of unleased mineral owners and operators or lessees of record within 1/2-mile of the Subject Well whose names and addresses Applicant has been able to determine after reasonable search and inquire:

Don R. & Carolyn Dunn  
Revocable Trust  
2659 E Hampton Rd  
Ulysses, KS 67880

Taylor & Lyndee Stable  
1591 Road 180  
Lakin, KS 67860

Notice of this Application will be provided to these persons.

14. Notice of this Application will be published in the *Wichita Eagle* and the *The Lakin Independent*, the official newspaper for Kearny County, Kansas, in compliance with K.A.R. 82-3-135a(d). A true and correct copy of the Notice of Application to be published is enclosed herewith. Each publisher's affidavit will be provided to the Commission upon Applicant's receipt from the publisher.

WHEREFORE Applicant prays that this Application be docketed by the Commission and that, if no valid protest is timely received by the Commission, the Commission administratively grant Applicant's Application for exception to the 10-year time limitation to temporarily abandon the Subject Well without incurring the time and expense of an evidentiary hearing. In the event a valid protest is timely filed, Applicant requests that the Commission set this Application for hearing and, upon such hearing, grant the requested order, and afford such other and further relief as the Commission deems necessary and proper.

Respectfully submitted,

MORRIS, LAING, EVANS, BROCK  
& KENNEDY, CHARTERED

By: 

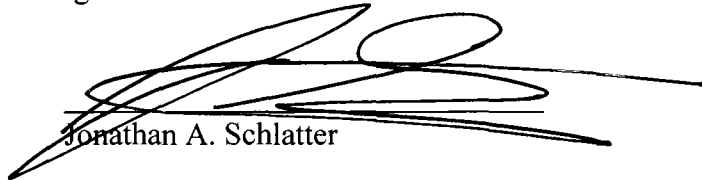
Jonathan A. Schlatter, #24848  
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*Attorneys for Prairie Energy, LC*

**VERIFICATION**

STATE OF KANSAS            )  
  ) ss:  
COUNTY OF SEDGWICK    )

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

That he is the attorney for Prairie Energy, LC; he has read the above and forgoing Application for Exception and is familiar with the contents, 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 6<sup>th</sup> day of August, 2019.

  
Notary Public

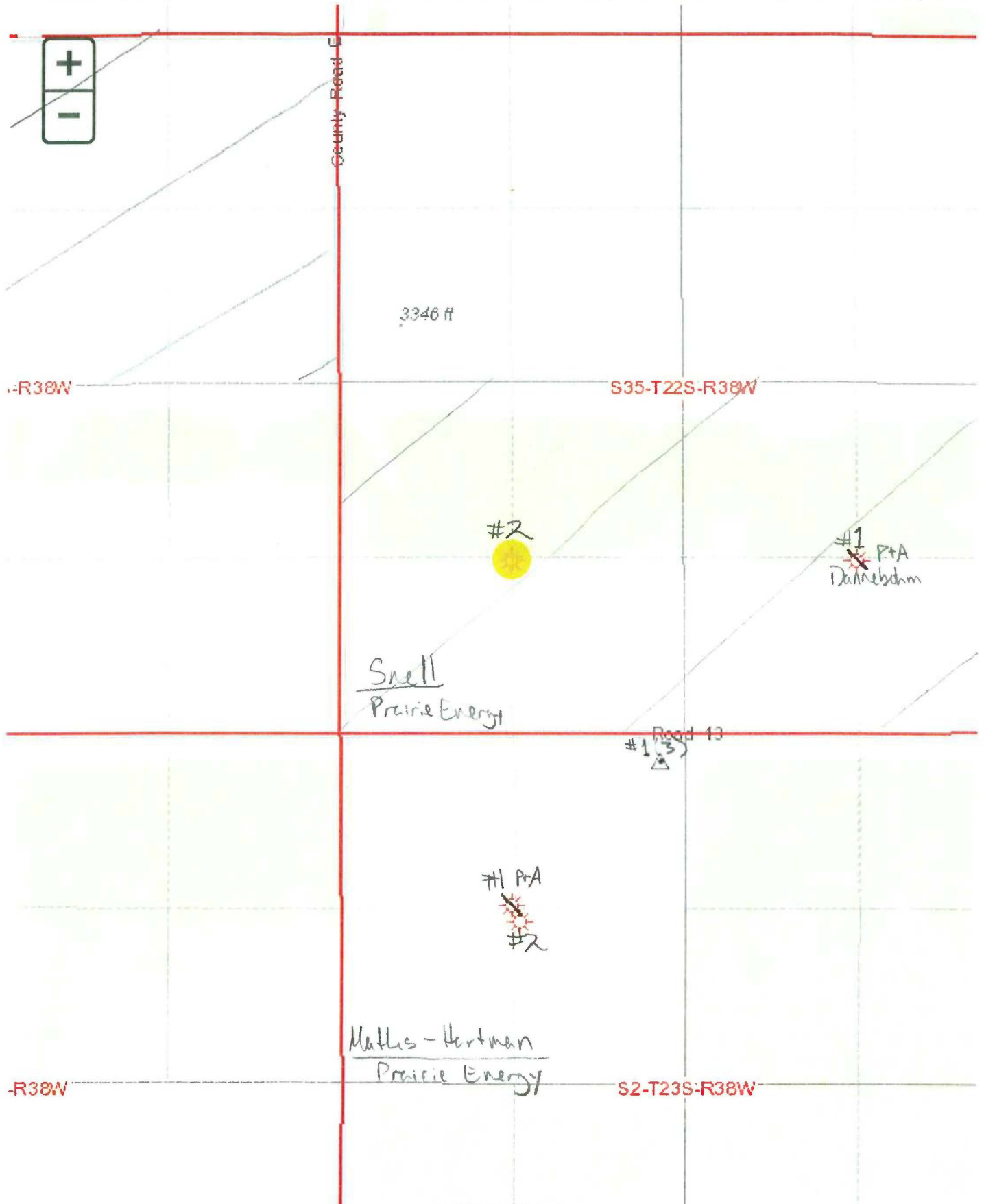
My Appointment expires: 11/05/2020



# Kansas Oil and Gas

Kansas Geological Survey

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

In the matter of the application of Prairie Energy, LC for an exception to the 10-year time limitation of K.A.R. 82-3-111 for its Snell #2 gas well located in the SW/4 of Section 35, Township 22 South, Range 38 West, Kearny County, Kansas.	)	Docket No. 20-CONS-3045-CEXC
	)	CONSERVATION DIVISION
	)	License No. 6067

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 Prairie Energy, LC ("Applicant") has filed an application with the Kansas Corporation Commission ("Commission") requesting an exception to the ten-year temporary abandonment time limitation of K.A.R. 82-3-111(b) for its Snell #2 gas well located in the Southwest Quarter (SW/4) of Section 35, Township 22 South, Range 38 West, Kearny County, Kansas, approximately 1,320' from the South line and 3,960' from the East line of said section. The Subject Well is located on an active oil and gas lease that has been consolidated to form a basic proration unit for the Hugoton/Panoma Council Grove Field comprised of the S/2 of Section 27, the NE/4 of Section 34, and the SW/4 of Section 35, all in Township 22 South, Range 38 West, Kearny County, Kansas. Applicant is the operator of the Snell #2 well.

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 last date of this publication. If a written protest is not timely filed, the application may be granted by the Commission 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  
MORRIS LAING EVANS BROCK &  
KENNEDY, CHTD.  
300 N. Mead, Suite 200  
Wichita, KS 67202-2745  
Office: (316) 262-2671  
*Attorneys for Prairie Energy, LC*

**CERTIFICATE OF SERVICE**

I, Jonathan A. Schlatter, hereby certify that on this 6<sup>th</sup> day of August, 2019, I caused the original of the foregoing **Application for Exception** with its attached **Exhibit A**, and the **Notice of Application** to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and true and correct copies of the same to be mailed by United States Postal Service, first class mail, postage prepaid, to the following listed parties:

Don R. & Carolyn Dunn  
Revocable Trust  
2659 E Hampton Rd  
Ulysses, KS 67880

Taylor & Lyndee Stable  
1591 Road 180  
Lakin, KS 67860



Jonathan A. Schlatter