THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Shari Feist Albrecht, Chairman

Jay Scott Emler Dwight D. Keen

In the matter of the Application of Vess Oil)	
Corporation for an exception to the 10-year time)	
limitation of K.A.R. 82-3-111 for its Harkness)	
DD #1 well located in the SE/4)	CONSERVATION DIVISION
of Section 09, Township 18 South, Range 26)	18-CONS-3387-CEXC
West, Ness County, Kansas.	Ś	16-CONS-3367-CEXC
-		License No.: 5030

APPLICATION

COMES NOW, Vess Oil 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 1700 Waterfront Pkwy, Bldg #500, Wichita, KS 67206.
- 2. Applicant has been issued by the Kansas Corporation Commission Operator's License 5030, which expires on 6/30/2018.
- 3. Applicant is the owner and operator of the Harkness DD #1 well, 135-23671-00-01 ("the subject well"), which is located in the Northeast Quarter of the Northeast Quarter of the Southeast Quarter of Section 9, Township 18 South, Range 26 West, Ness County, Kansas. The subject well is located on an oil and gas lease or unit comprising the following lands:

Southeast quarter of Section 9, Township 18 South, Range 26 West, Ness County, Kansas, containing 160 acres, more or less.

4. Pursuant to K.A.R. 82-3-111, the well was shut in, or Applicant obtained temporary

abandonment status, for the subject well in October of 2000. The subject well has maintained such status from October of 2000, to the present date.

- 5. On or about April 30, 2018, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would need to be renewed, because subject well had exceeded its temporary abandonment status under the ten (10) years exception.
- 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 May 25th, 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: future waterflood of the Val Jean field.
- 9. Applicant submits the following information regarding the well in support of the Application:
 - a. There is one temporarily abandoned oil well on this lease.
 - b. An estimated cost to plug and abandon this well would be \$10,000.
 - c. The one well lease is not producing at this time.
 - d. Recoverable reserves are estimated to be 70,000+ barrels of oil from this field. This estimate has been formulated by using original oil in place, cumulative production and analogous waterflood response.

- e. This well is currently perforated in the productive intervals and has behind pipe zones that need to be opened and tested. Well will need to be equipped with a unit, conditioned for production and a tank battery installed.
- f. Estimated cost to equip and prepare well for production would be \$100,000.
- 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 for three (3) years following the expiration 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.

14. The landowner of the Southeast quarter of Section 9, Township 18 South, Range 26

West is:

Warren and Alberta Sherwin 1008 Russell St. Scott City, KS 67871

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,

David Van Dyke 1700 N Waterfront Pkwy, Bldg 500 Wichita, KS 67206 316-682-1537 (phone) 316-686-3521 (fax)

David Van Dyke

CERTIFICATE OF SERVICE

David Van Dyke

Vess Oil Corporation Memo

Date: May 7, 2018

To: David

From: Angie

Re:

Harkness DD Ownership Report NE/4SE/4 Sec. 9-T18S-R26W, Ness Co., KS KCC Application to Extend TA Status

Township 18 South, Range 26 West

Tract	Status	Lease Operator	Unleased Mineral Owners
Sec. 9: NE/4	Leased	Vess Oil Corporation	omeased fillional Owners
Sec. 9: E/4SE/4NW/4	Unleased		John S. & Lois C. Mauch 18122 C Road Beeler, KS 67518
			Terry L. & Kay Whipple 415 Edgerton Oakley, KS 67748
			Peggy S. & Jeff Young 8420 State Highway 4 Utica, KS 67584
Sec. 9: E/2E/2SW/4	НВР	American Warrior PO Box 399 Garden City, KS 67846	9,000,120 0,000
Sec. 9: SE/4 Surface Owner: Warren B. Sherwin	Partially Leased	Vess Oil Corporation	Marlene Benson & Michael O'Hare PO Box 543 Park City, UT 84060
1008 Russell St Scott City, KS 67871			Elaine Bucklo & Kenneth Eichenhold 219 S Dearborn Chicago, IL 60604
			Daniel Edwards 903 W Glendale Ave #11 Phoenix, AZ 85021
			John M. & Cara Edwards 832 Paxton Rd SW Rochester, MN 55902
			Kenneth J. & Debra Edwards 8049 Pennsylvania Rd Bloomington, MN 55438
			Shelle Anne Harkness 117 E 37 th St #336 Loveland, CO 80538
			T. J. Harkness 1824 17 th St. # 204 Boulder, CO 80302
		· ·	Daniel C. Edwards 903 W. Glendale Ave., #11 Phoenix, AZ 85021
			Randy Lyman, Kari Marie Lyman and Tobi Renee Miller 27924 Ridge Bluff Ct. Rancho Palos Verdes, CA 90273

			Cheri Harkness Santiago 1004 E Claflin Salina, KS 67401
			Lynn M. Harkness Living Trust 724 Judson St Longmont, CO 80501
Sec. 10: W/2	HBP	Vess Oil Corporation	
Sec. 15: NW/4NW/4	HBP	Vess Oil Corporation	
Sec. 16: N/2N/2NE/4	Unleased		Thomas L. Bentley and Diana J. Bentley 510 Konstanty Cr Austin, TX 78746

KCC OIL/GAS REGULATORY OFFICES

Date: 05/25/18	District: 01		Case #:
	New Sit	uation	Lease Inspection
	Respons	se to Request	Complaint
	Follow-	Up	✓ Field Report
	L		
Operator License No: 5030	API Well Nur	mber: <u>15-135-23,67</u>	1-00-01
Op Name: Vess Oil Coproration	Spot: NE-N	E-SE Sec 9	Twp <u>18</u> S Rng <u>26</u> E / \sqrt{W}
Address 1: 1700 Waterfront PKWY Bldg. 500	2310 (2	2273)	Feet from N/ S Line of Section
Address 2:	330 (3	311)	Feet from FE/W Line of Section
City: Wichita	GPS: Lat: <u>3</u>	8.50031 Long:	100.19375 Date: 2/10/12
State: Kansas Zip Code: <u>67206 -6619</u>	Lease Name:	Harkness DD	Well #: _1
Operator Phone #: (316) 682-1537	County: Ne	ess	
Reason for Investigation:			
Witness 16 year CIT casing test			
Problem:			
None			
Persons Contacted:			
Findings:			
	r and proces	urad to 200# and	and for 20 minutes. Coning was
CIBP is set @4310' loaded casing with wate pressured by Pro Stem.	er and pressi	ured to 300# and	held for 30 minutes. Casing was
pressured by FTO Stern.			
Action/Recommendations: Follow	w Up Required	Yes No	Date:
Turn report into office.			
Turriteport into office.			
Verification Sources:			Photos Taken:
RBDMS KGS	TA Program		
	Courthouse	Ву:	
Other:	_ 0	Michael M	aier
Retain 1 Copy District Office			
Send 1 Copy to Conservation Division			_ ~

Form:

Date: <u>05/25/18</u>		District:	01	_	License #: 5030	
Op Name: <u>5030</u>		Spot: NE-			Sec <u>9</u> Twp <u>18</u> S Rng <u>26</u> E 📝 W	
County: Ness		Lease Nan	ne: <u>Har</u>	kness D	DD Well #: 1	
I.D. Sign Yes No		0	Gas V	enting _	Yes No	
Tank Battery Condition Condition: Good Questionable	Overflowin	ng [vi]	Pit		ft; Approx. Size:ft. xft.	
Pits, Injection Site Fluid Depth:ft; Approx. Siz	e:ft.	xft.		twater Pi		
Oil Spill Evidence			Flowing Holes			
Abandoned Well Potential Polluti	ion Problem	Yes No 💌		A Wells	Records	
Lease Cleanliness Very Good Satisfactory	Poor Very	Bad				
SWD/ER Injection Well Yes No Ness Permit #: Pressure - Actual: psi; Authorized: psi						
Permit #: Pressure - Actual					; T/C Annulus:; C/SP Annulus:	
Permit #: Pressure – Actual	: psi; Autl	horized: psi	Tubir	g:	; T/C Annulus:; C/SP Annulus:	
API Number Footages	Spot Location	GPS		Well#	Well Status	
2273FSL 15-135-23,671-00-01 311FEL N	IE-NE-SE	38.50031-100.1	9375	1	16year casing test-held 300#-CIBP@4310'	
Retain 1 Copy District Office Send 1 Copy to Conservation Division						

Form: