

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

Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

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| In the matter of the application of Bee Gee |) | Docket No.: 17-CONS-3506-CBSO |
| Exploration Company for an order establishing |) | (178,910-C) (C-26,425) |
| 160 acre spacing for the Mississippian Chert |) | |
| Formation underlying lands in Stafford and Reno |) | CONSERVATION DIVISION |
| Counties, Kansas. |) | |
| |) | License Nos.: N/A |
| In the matter of the application of Raymond Oil |) | |
| Company, Inc. for an order to extend field limits |) | |
| for the Mississippian Chert Formation underlying |) | |
| lands in Stafford and Reno Counties, Kansas. |) | |


**MOTION FOR THE DESIGNATION OF A PREHEARING OFFICER
AND THE SCHEDULING OF A PREHEARING CONFERENCE
REGARDING CANCELLATION OF THE
COMMISSION'S MARCH 14, 1994 AND SEPTEMBER 22, 1994 ORDERS**

1. On March 14, 1994, the Commission issued an Order creating spacing rules for a portion of the Mississippian Chert Formation in Stafford and Reno Counties, with that area being known as the Zenith-Peace Creek field (Exhibit A). The spacing rules were extended to additional sections in Reno County via a September 22, 1994, Order (Exhibit B). The Orders do little more than require 160-acre spacing for the area and formation in question, rather than allowing 10-acre spacing under the Commission's general rules. Staff believes the Order no longer serves any utility, and that the Order should be cancelled.

2. Commission Staff have recently communicated with both operators having wells within the Zenith-Peace Creek field, stating that Staff was considering filing this motion, and asking whether the operators disagreed with Staff's belief that the Order should be cancelled. No operator expressed opposition to cancellation.

3. Based upon the above, Staff moves that a prehearing officer be designated, and that a prehearing conference be scheduled, in anticipation of an evidentiary hearing regarding the cancellation of the Commission's March 14, 1994, and September 22, 1994 Orders.

Respectfully submitted,



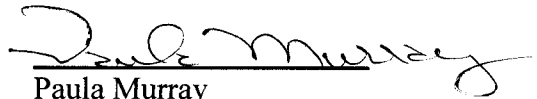
Jonathan R. Myers, #25975
Litigation Counsel, Kansas Corporation Commission
266 N. Main, Suite 220
Wichita, Kansas 67202-1513
Phone: 316-337-6200; Fax: 316-337-6211

CERTIFICATE OF SERVICE

I certify that on 3/1/17, I caused a complete and accurate copy of this Motion to be served via United States mail, with the postage prepaid and properly addressed to the following:

Kent A. Deutsch
dba Deutsch Oil Company
8100 E. 22nd Street N, Building 600
Wichita, KS 67226

Richard E. Smith
dba Smith Oil Operations
410 N. Adams
P.O. Box 550
Hutchinson, Kansas 67504



Paula Murray
Legal Assistant
Kansas Corporation Commission

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Jim Robinson, Chairman
F.S. Jack Alexander
Rachel C. Lipman

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|---|-----------------------|
| In the matter of the application of) | DOCKET NO. 178,910-C |
| BEE GEE EXPLORATION COMPANY for an) | (C-26,425) |
| order establishing 160 acre spacing) | |
| for the Mississippian Chert) | CONSERVATION DIVISION |
| Formation underlying lands in) | |
| Stafford and Reno Counties, Kansas.) | LICENSE NO. 30390 |

Now, the above-captioned matter comes on for consideration and determination before the State Corporation Commission of the State of Kansas.

An application was filed on August 4, 1992, by Bee Gee Exploration Company for an order establishing a well spacing pattern for certain acreage in Stafford and Reno County, Kansas. Notice was published in the Wichita Eagle and The Stafford Courier and The Hutchinson Public News newspapers, stating that the matter would be heard on October 1, 1992, at the Conservation Division Hearing Room, 300 Colorado-Derby Building, 202 West First Street, Wichita, Kansas.

The matter was continued numerous times and finally heard on February 17, 1994. Ann T. Rider, Wichita, Kansas, appeared on behalf of the applicant and John G. Pike, Wichita, Kansas, appeared on behalf of Intervenor, Deutsch Oil Company. John McCannon, Assistant General Counsel appeared on behalf of the Commission staff and the public generally.

The Commission, being duly advised in the premises and after having given due consideration to the evidence presented and the records and files, makes the following findings of fact and conclusions of law:

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

2. Notice was proper in every respect and was published as required by law. Notice was given to all known interested parties. At the hearing applicant verbally amended its application to allow square 160 spacing units rather than the 160 acre governmental quarter section spacing units as requested in its application.

3. Joe M. Baker, a geologist, testified on behalf of the applicant and sponsored five (5) exhibits. Mr. Baker testified that the Mississippian formation is a common source of supply

throughout the entire area sought to be spaced. Baker Exhibit #2, an Isopach map, shows that the thickness of the Mississippian formation in the area varies from 0 to over 120 feet. Mr. Baker also testified that Baker Exhibits #4 and #5, cross sections based on log data from wells drilled into the reservoir, demonstrate that the Mississippian common source of supply extends through the entire area applicant seeks to space. Mr. Baker also believed 160 acre spacing with the well located within the four (4) ten-acre tracts surrounding the center of each 160 acre unit would allow orderly development and production of the reserves underlying the units.

5. K. Glen Morrison, an engineer, testified on behalf of the applicant and sponsored one (1) exhibit. Mr. Morrison testified that one well into the Mississippian Chert formation could effectively and efficiently drain 160 acres when stimulated by a fracture treatment. Mr. Morrison presented Morrison Exhibit #1 which demonstrated that 160 acre development was the most economic and efficient development pattern.

6. The Commission finds that the Mississippian Chert formation is a common source of gas supply within the following area:

Township 24 South, Range 10 West, Reno County

SW/4 of Section 18;
SE/4 of Section 18;
All of Section 19;
NW/4 of Section 30;
SW/4 of Section 30;
NW/4 of Section 31;
SW/4 of Section 31;

Township 25 South, Range 10 West, Reno County

NW/4 of Section 6;

Township 24 South, Range 11 West, Stafford County

All of Section 24;
All of Section 25;
All of Section 36;
SE/4 of Section 26;
NE/4 of Section 35;
SE/4 of Section 35;

Township 25 South, Range 11 West, Stafford County

NE/4 of Section 2;
NW/4 of Section 1;
NE/4 of Section 1;

7. In order to provide for the orderly development of said common source of supply, the Commission should take jurisdiction of said Pool and issue a spacing order for such common source of supply. No proration formula to prorate the production from the common source of supply is necessary at this time and the wells completed therein should be entitled to produce in accordance with the general rules of this Commission.

8. One well completed in the common source of supply can adequately drain 160 acres without causing waste.

Acreage to be attributed to form a unit shall be adjacent or contiguous and the length of the unit shall equal the width thereof. In order to attribute 160 acres to the well for allowable purposes, the well shall be located within the four ten-acre tracts surrounding the center of each 160 acre tract.

Exceptions to the well location restrictions may be granted after notice and hearing when the Commission finds such exception is necessary to prevent waste or to protect correlative rights.

All acreage attributed to a well must be proven to be reasonably productive of gas; provided, however, that the commission may, either on complaint filed or upon its own motion after notice and hearing, exclude any acreage from inclusion in any unit which, in its judgment, is not productive and should not be considered as proven acreage.

IT IS, THEREFORE, BY THE COMMISSION ORDERED that the acreage described in paragraph six (6) of this order be designated a common source of supply of gas in the Mississippi Chert formation by virtue of and as contemplated by K.S.A. 55-701, et. seq.

IT IS FURTHER ORDERED that the basic acreage spacing unit be and it hereby is established as 160 acres, which acreage shall be contiguous or adjoining with the length of such unit not to exceed the width thereof.

IT IS FURTHER ORDERED that the wells shall be located within the four (4) ten-acre tracts surrounding the center of each 160 acre unit in order to attribute 160 acres to a well for allowable purposes.

IT IS FURTHER ORDERED that this Order be and it hereby is effective as of March 9, 1994.

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 Kansas Corporation Commission,
1500 S.W. Arrowhead Road, Topeka, Kansas 66604.

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.

Robinson, Chmn.; Alexander, Com.; Lipman, Com.

Dated: MAR. 14 1994



Executive Director

Date Mailed: MAR 15 1994

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

MAR 14 1994


EXECUTIVE DIRECTOR

CERTIFICATE OF SERVICE

I hereby certify that on MAR 15 1991, I caused a true and correct copy of the foregoing order to be served by placing the same in the United States Mail, postage prepaid, to the following parties:

Ann T. Rider
300 Page Court
220 W. Douglas Ave.
Wichita, KS 67202

Bee Gee Exploration Co.
401 E. Douglas Ave., Ste. 500
Wichita, KS 67202

John G. Pike
200 W. Douglas Ave.
Ste. 630
Wichita, KS 67202-3089

Deutsch Oil Co.
1115 Bitting Bldg.
107 N. Market
Wichita, KS 67202

John McCannon
Assistant General Counsel
Kansas Corporation Commission

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Susan M. Seltsam, Chair
F.S. Jack Alexander
Rachel C. Lipman

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|---------------------------------------|-----------------------|
| In the Matter of the Application of) | DOCKET NO. 178,910-C |
| RAYMOND OIL COMPANY, INC.) | (C-26,425) |
| for an Order to extend field limits) | |
| for the Mississippian Chert) | CONSERVATION DIVISION |
| Formation underlying lands in) | |
| Stafford and Reno Counties, Kansas.) | LICENSE NO. 5046 |

ORDER

Now, the above-captioned matter comes on before the State Corporation Commission of the State of Kansas on the application of Raymond Oil Company, Inc. for an order extending the field limits for the Mississippian Chert formation in Stafford and Reno Counties, Kansas. The Commission, being duly advised in the premises and after giving due consideration to the Statutes of Kansas and the regulations of this Commission, makes the following findings and conclusions:

1. The application of Raymond Oil Company, Inc. to extend the field limits of the Mississippian Chert formation in Stafford and Reno Counties, Kansas was filed on July 25, 1994. The application seeks to include the following acreage under the existing spacing Order in this docket.

Township 24 South, Range 10 West, Reno County, Kansas

| | |
|-------------|-----|
| Section 4: | W/2 |
| Section 5: | All |
| Section 7: | E/2 |
| Section 8: | All |
| Section 17: | All |
| Section 18: | N/2 |

2. Notice of the application was timely and properly published in the Wichita Eagle, the Hutchinson News and the Stafford Courier newspapers stating the matter would be heard by the Commission on September 1, 1994. Notice was also mailed to all known interested parties as required by the Commission's rules and regulations.

3. The matter was heard on September 2, 1994, via interactive video by Lori Fink, hearing examiner; John G. Pike appeared on behalf of the applicant and John McCannon, Assistant General

Counsel, appeared on behalf of the Commission staff and the public generally. There were no other appearances.

4. Timothy D. Hellman, a geologist, testified on behalf of the applicant and presented exhibits in support of his testimony. Mr. Hellman testified and he presented exhibits showing that the area sought to be added to the spacing order was a continuation of the Mississippian Chert formation covered by the Commission's previous order in this docket and constituted a common source of supply. Mr. Hellman also testified that in his opinion all the acreage sought to be added is reasonably expected to be productive from the Mississippian Chert common source of supply.

5. The Commission finds that the evidence presented establishes that the area sought to be added to the existing spacing order is a part of the same Mississippian Chert common source of supply and is reasonably expected to be productive from that formation.

6. Raymond's application should be granted.

IT IS, THEREFORE, BY THE COMMISSION ORDERED that Raymond Oil Company, Inc. application to extend the field limits for the Mississippian Chert formation in Stafford and Reno Counties, Kansas, should be and is hereby granted. The acreage set out in paragraph number 1 hereof is hereby included under the spacing and field rules previously established by the Commission in this docket.

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 Kansas Corporation Commission, 1500 S.W. Arrowhead Road, Topeka, Kansas 66604.

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.

Seltsam, Chr.; Alexander, Com.; Lipman, Com.

Dated: SEP. 22 1994


Executive Director

Date Mailed: SEP 23 1994
I CERTIFY THE ORIGINAL
COPY IS ON FILE WITH
The State Corporation Commission

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SEP 26 1994

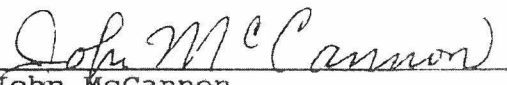

EXECUTIVE DIRECTOR

CERTIFICATE OF SERVICE

I hereby certify that on SEP 30 1994, I caused a true and correct copy of the foregoing order to be served by placing the same in the United States Mail, postage prepaid, to the following parties:

John Pike
200 W. Douglas, Ste. 630
Wichita, KS 67202-3089

Raymond Oil Co.
100 N. Main, Ste. 900
Wichita, KS 67202


John McCannon
Assistant General Counsel
Kansas Corporation Commission