

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

Before Commissioners: Shari Feist Albrecht
 Jay Scott Emler
 Pat Apple

In the Matter of the Application of SandRidge)	Docket No. 15-CONS-305-CWLE
Exploration and Production, LLC for a well location)	
exception for the Jones Trust 3408 #2-28H 1L & 2L)	CONSERVATION DIVISION
Wells in Section 28, Township 34 South, Range 8)	
West, Harper County, Kansas.)	License No. 34192

ORDER GRANTING APPLICATION

The above-captioned matter comes before the State Corporation Commission of the State of Kansas for consideration and determination. Having examined its files and records, and being duly advised in the premises, the Commission makes the following findings:

I. JURISDICTION

1. K.S.A. 74-623 provides that the Commission has the exclusive jurisdiction and authority to regulate oil and gas activities.
2. K.A.R. 82-3-108(a) provides that the setback requirement for oil and gas wells shall be 330 feet from any lease or unit boundary line, except as provided in subsection (b) or (c).
3. K.A.R. 82-3-108(b) provides that an oil well drilled to a total depth of less than 2,000 feet in any of the following counties in eastern Kansas shall be subject to a setback of 165 feet from any lease or unit boundary: Allen, Anderson, Atchison, Bourbon, Brown Cherokee, Coffey, Crawford, Douglas, Elk, Franklin, Greenwood, Jackson, Jefferson, Johnson, Labette, Leavenworth, Linn, Lyon, Miami, Montgomery, Neosho, Osage, Shawnee, Wilson, Woodson, and Wyandotte. Further, wells drilled to a total depth of less than 2,500 feet in Chautauqua County are subject to the 165-foot setback.

4. K.A.R. 82-3-108(c) provides that the commission may grant an exception to the well setback requirements if necessary either to prevent waste or protect correlative rights.
5. K.A.R. 82-3-207 states that a standard oil well drilling unit shall be 10 acres.
6. K.A.R. 82-3-312 states that a standard gas well drilling unit shall be 10 acres.
7. K.A.R. 82-3-1300(c) defines the completion interval of a cased horizontal well as the area between the first and last perforation.
8. K.A.R. 82-3-1302(b) provides that the setback requirements in K.A.R. 82-3-108, 207, and 312 shall apply to the entire completion interval of a horizontal well.

II. FINDINGS OF FACT

9. Commission records indicate the operator is currently licensed to conduct oil and gas activities in Kansas under K.S.A. 55-155.
10. The operator filed an application on October 9, 2014 requesting a well location exception for the Jones Trust 3408 #2-28H 1L & 2L wells (the “subject wells”) in Harper County, Kansas.
11. The operator has verified that notice was properly served and published, as required under K.A.R. 82-3-135a, at least 15 days before the issuance of this Order. No interested party has filed a protest under K.A.R. 82-3-135b.
12. The application states that the completion interval of the horizontal wells will be located less than the required 660 feet from each other near the surface location, because both wells are being drilled from the same surface location. Most of the completion intervals for the wells will be located more than 660 feet from each other.
13. Use of the same surface location to drill multiple horizontal wells will minimize surface impact from operations and will prevent economic waste and surface waste. The

horizontal wells will produce hydrocarbons that otherwise may remain in place, preventing waste of hydrocarbons and protecting correlative rights.

14. Staff has recommended that the application should be granted.

III. CONCLUSIONS OF LAW

15. The application was filed in accordance with the rules and regulations of the Commission and Kansas statutes.

16. Notice was properly served and published.

17. Based on the above facts, the Commission concludes that the application should be granted to prevent waste and protect correlative rights.

THEREFORE, THE COMMISSION ORDERS:

- A. The application for a well location exception at the subject wells is hereby granted, and the wells are assigned a full allowable.

- B. This Order is a summary proceeding pursuant to K.S.A. 77-537, which provides in paragraph (b)(4) that summary proceedings are not effective until the time for requesting a hearing has expired. K.S.A. 77-542 provides that a request for hearing shall be filed within 15 days of any agency notice resulting in a right to request a hearing. If service of this Order is by mail, three days are added to the deadline. Any party taking an action permitted by this summary proceeding before the deadline for requesting a hearing has expired shall be deemed to have waived their right to a hearing pursuant to K.S.A. 77-504.

- C. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita,

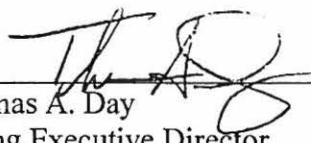
Kansas 67202. Pursuant to K.S.A. 55-606 and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action permitted by this summary proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

D. The Commission retains jurisdiction of the subject matter and the parties and may enter additional orders as it deems appropriate.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair.; Emler, Com.; Apple, Com.

Date: DEC 02 2014



Thomas A. Day
Acting Executive Director

Date Mailed: 12/3/2014

LRP

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

DEC 02 2014



CERTIFICATE OF SERVICE

I certify that on 12/3/2014, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

David Bengtson
Stinson Leonard Street LLP
1625 N. Waterfront Parkway, Suite 300
Wichita, KS 67206-6620
Attorney for the Applicant

SandRidge Exploration and Production, LLC
123 Robert S. Kerr Ave.
Oklahoma City, OK 73102

And delivered by hand to:

Rene Stucky
KCC Production Supervisor

/s/ Lane R. Palmateer
Lane R. Palmateer
Litigation Counsel
Kansas Corporation Commission