

Received
KANSAS CORPORATION COMMISSION

AUG 31 2022
CONSERVATION DIVISION
WICHITA, KS

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the matter of the Application of Canaday)	Docket No. <u>23-CONS-3074-CEXC</u>
Oil Corporation for an exception to the)	
10-year time limitation of K.A.R. 82-3-111)	CONSERVATION DIVISION
For its Byerly #1-17 Well located in the)	
Northwest Quarter (NW/4) of Section 17,)	License No. 5303
Township 30 South, Range 24 West,)	
Clark County, Kansas)	
_____)	

APPLICATION

COMES NOW Canaday Oil Corporation (“Applicant”) and for its Application herein states as follows:

1. Applicant is a Kansas Corporation with its correct post office address being 2407 Saint Andrew St, Goddard, Kansas 67052.
2. Applicant holds valid Kansas Oil and Gas Operator’s License Number 5303.
3. Applicant is the owner and operator of the Byerly #1-17 well, API Well Number 15-025-21015-00-00, which is located in the Northwest Quarter (NW/4) of the Southeast Quarter (SE/4) of the Northwest Quarter (NW/4) of the Northwest Quarter (NW/4) of Section 17, Township 30 South, Range 24 West, Clark County, Kansas. The Byerly Well is on a recently expired lease to be unitized into a new secondary recovery unit.
4. Pursuant to K.A.R. 82-3-111, Applicant obtained temporary abandonment status for the Byerly Well in October 2001, in January 2019 approved for extension, and has maintained such status to the present date.
5. On or about July 29, 2022, the Kansas Corporation Commission notified Applicant that temporary abandonment status for the said well would be denied from and after August 22, 2022 because the well has been temporarily abandoned for more than ten (10) years.

6. K.A.R. 82-3-111 imposes a ten-year limitation on the length of time during which wells may be temporarily abandoned and provides that an exception to the ten-year limitation may be obtained by an Application filed with the Commission in accordance with K.A.R. 82-3-111. Applicant herewith seeks such an exception.

7. The Byerly #1-17 Well has passed a Commission Staff approved mechanical integrity test of the casing between the surface and point within fifty (50) feet above the uppermost perforation with a cast iron bridge plug set @ 5275' and casing pressure tested to 300 PSI on August 22, 2022.

8. Applicant wishes to continue the temporarily abandoned status for the said well to permit completion of a waterflood unitization. The Byerly #1-17 Well is critical to the waterflood project and ultimate oil recovery. Applicant owns and operates other wells located directly to the north of the Byerly #1-17 which would also be included in the waterflood project.

Applicant has spent considerable time and resources isolating and pretreating the potential secondary recovery project reservoir in the Byerly and offsetting wells. If this Application is granted, Operator intends to continue the unitization process which includes the Byerly #1-17 Well. One-half of the Byerly mineral owners have ratified the proposed unit agreement. The Plan of Unitization and the Waterflood and Unitization Study have both been completed and sent to all working interest and all mineral owners. Ninety-five percent (95%) of the working interest owners and twenty percent (25%) of the mineral owners have ratified the Plan. A mineral owner managing sixty percent (60%) of the mineral interest in the proposed unit, has caused delays achieving the necessary ratification percentages to comfortably proceed with the Kansas Corporation Commission Unitization Application process. Canaday Oil expected the necessary ratification approval in the past but working interests health issues combined with overall COVID isolation restricted progress. Applicant estimates that the expense to plug the well would be

approximately \$20,000 and the expense to drill and complete a replacement well would cost approximately \$600,000. If the well is required to be plugged, the expense of plugging the existing well and then drilling the replacement well would substantially alter the waterflood project uneconomic. Therefore, the granting of this Application would prevent physical and economic waste while protecting correlative rights.

9. Attached hereto is a plat map marked Exhibit 'A' and incorporated herein showing the Byerly #1-17 Well and the locations of all producing, plugged and other wells located in the area.

10. Applicant requests that the Commission grant an exception to the ten-year limitation to allow the subject well to remain eligible for temporary abandonment status for three (3) years following the expiration of the current ten-year limitation extension. Applicant understands that the exception would be valid for three (3) years but that Applicant would still need to apply annually to the Conservation Division District Office for approval of an application of temporary abandonment status.

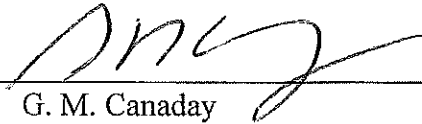
11. Attached here and marked Exhibit 'B' are the names and address of all operators and mineral owners located within one-half mile of the subject well.

12. Notice of this Application will be published as required by K.A.R. 82-3-135a.

WHEREFORE, Applicant prays that this matter be granted administratively without a hearing or in the alternative be set for hearing and thereafter that the Commission enter its Order granting an exception to the ten-year temporary abandonment status set out in K.A.R. 32-3-111 and to allow the well to remain temporarily abandoned for three (3) additional years.

Respectfully submitted,

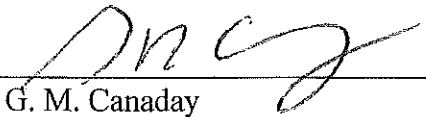
CANADAY OIL CORPORATION
2407 Saint Andrew St
Goddard, KS 67052

By 
G. M. Canaday

918.645-4150 Phone
918.592-0843 Fax

CERTIFICATE OF SERVICE

I hereby certify on this 23rd day of August, 2022, true and correct copies of the foregoing Application were served by depositing copies of the same in the United States Mail, postage prepaid and properly addressed, to the operators and mineral owners identified in Exhibit B and referenced in Paragraph 11 of the foregoing Application, and the original and four (4) copies were sent via FedEx two day air to the Kansas Corporation Commission.



G. M. Canaday

VERIFICATION

STATE OF Oklahoma)
) ss:
COUNTY OF Tulsa)

G. M. Canaday, of lawful age, having been first duly sworn upon my oath, state that I have read the foregoing Application and that the statements contained therein are true and correct to the best of my knowledge and belief.




G. M. Canaday

STATE OF Oklahoma)
) ss:
COUNTY OF Tulsa)

SUBSCRIBED and SWORN to before me on this 29th day of AUGUST, 2022.

My Commission Expires:

FEB. 8, 2024



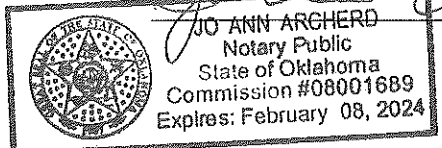

JO ANN ARGHERD
Notary Public
State of Oklahoma
Commission #08001689
Expires: February 08, 2024

EXHIBIT B

OPERATORS AND MINERAL OWNERS WITHIN ONE-HALF MILE OF THE BYERLY #1-17

Karen Byerley
515 Amethyst Ave
Stillwater, OK 74075

Mark Mahieu & Michele
304 CR 7
Minneola, KS 67865

Louise West
P. O. Box 475
Minneola, KS 67865

Alice & John O'Brien
P. O. Box 81
Newfields, NH 03858

Bonnie Irons/Darren Irons
2001 Worthington Lane
Edmond, OK 73013

Canaday Oil Corporation (*only Operator*)
6357 N. Campos Lane
Wichita, KS 67204

Daryl Barnes
401 CR 9
Minneola, KS 67865

John Bair
3408 Syler Drive
Hutchinson, KS 67502

Joyce Bria
ADDRESS UNKNOWN

Billy Irons
4001 N. E. Channel Dr.
Lees Summit, MO 64064-1530

Kerry Irons
2712 Cresthill Circle
Waco, TX 76710-1016

Linda Mahieu & Edward
912 W. Beason Road
Dodge City, KS 67801