

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION )	Docket No. 19-CONS <u>3262</u> -CWLE
OF ORCA OPERATING COMPANY, LLC )	
FOR A WELL LOCATION EXCEPTION FOR )	
THE KELLY #12-1-1H WELL IN )	License No. 34358
SECTIONS 1 AND 12, TOWNSHIP 25 SOUTH, )	
<u>RANGE 9 WEST, RENO COUNTY, KANSAS )</u>	Conservation Division

**APPLICATION**

Orca Operating Company, LLC (“Orca”) submits this Application, pursuant to K.A.R. § 82-3-108, for well location exception and for the assignment of an allowable to the Kelly #12-1-1H well located in the E/2 of Section 1 and E/2 of Section 12, both in Township 25 South, Range 9 West, Reno County, Kansas. In support of this Application, Orca states as follows:

1. Orca is an Oklahoma limited liability company duly authorized to do business within the State of Kansas, with its correct mailing address being Orca Operating Company, LLC, 427 South Boston, Suite 400, Tulsa, OK 74103.

2. Orca Resources, LLC owns and Orca is the operator of oil and gas leases covering the E/2 of Section 1 & E/2 of Section 12, both in Township 25 South, Range 9 West, Reno County, Kansas, less and except a 264' x 330' tract of land located in the SE corner of the NE/4 of Section 12. Orca intends to drill a horizontal well in the Mississippi Formation, known as the Kelly 12-1-1H well, at the following location:

Surface Location: 800' FSL & 380' FEL of Section 12-25S-9W

Bottom Hole Location: 3,728' FSL & 380' FEL of Section 1-25S-9W

A plat showing the location of the Kelly #12-1-1H well is attached hereto as Exhibit A.

3. The 264' x 330' tract of land located in the SE corner of the NE/4 of Section 12-25S-9W, containing 2 acres (the "Cemetery Tract"), was deeded to the Trustees of the Langdon Cemetery by a Warranty Deed dated December 16, 1878, recorded in Book 3 at Page 609, and by a Quit Claim Deed dated October 11, 1883, recorded in Book 142 at Page 63. Since that time, there have been no other conveyances of the Cemetery Tract and, to the best of Orca's knowledge and belief, that 2-acre tract of land is known as the Old Langdon Cemetery and has been replaced by a New Langdon Cemetery. Despite reasonably diligent efforts, Orca has not been able to locate any of the trustees of the Old Langdon Cemetery or any recognized entity as the owner of the Cemetery Tract. As a result, Orca has not been able to secure an oil and gas lease covering the Cemetery Tract.

4. The intended path of the horizontal wellbore for the Kelly 12-1-1H well will be located less than 330 feet from the west boundary of the Cemetery Tract. More specifically, for a distance of 330 feet (out of a total horizontal wellbore distance of 6,850 feet) that wellbore will be located 116 feet from the west boundary of the Cemetery Tract. At all other points, the horizontal wellbore for the Kelly 12-1-1H well will be at a legal location.

5. Orca seeks an exception to the well location restrictions set out in K.A.R. § 82-3-108(a) for the Kelly #12-1-1H well for that portion of the wellbore that is located less than 330' from the Cemetery Tract. The location of the Kelly #12-1-1H well was selected by Orca as the optimum location for the drilling and operation of that well as a producing horizontal Mississippi well, and for the development of other horizontal Mississippi wells in that production unit.

6. Orca believes that the granting of the requested well location exception will prevent economic and physical waste and will not violate correlative rights. Accordingly, Orca seeks a well location exception for the Kelly 12-1-1H well pursuant to K.A.R. § 82-3-108(c).

7. A plat showing the location of the Kelly #12-1-1H well, the location of the Cemetery Tract, the locations of all other producing wells and dry holes on the acreage attributed to the Kelly #12-01-1H well, and the locations and approximate depths of all wells and dry holes which have been drilled on all properties adjacent to the location of said well is attached hereto as Exhibit "A" and made a part of this Application.

8. Notice of this Application for a well location exception will be published once in both The Wichita Eagle newspaper and the Hutchinson News newspaper in Reno County, Kansas.

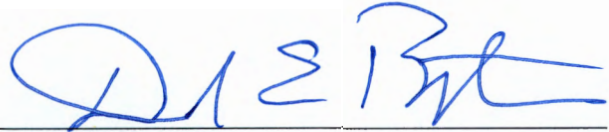
9. The record title owner of the Cemetery Tract that is located less than 330' feet from a portion of the horizontal wellbore of the Kelly #12-1-1H well is the current Trustee(s) of the Langdon Cemetery. Despite reasonably diligent efforts, Orca has been unable to either determine the identity of those persons. The only address that was located for the Trustees of the Langdon Cemetery was P. O. Box 412, Arlington, Kansas, 67514. A true copy of this Application will be mailed to that the Trustees of the Langdon Cemetery address.

10. The production of oil and/or gas from the Kelly #12-1-1H well will neither promote waste nor violate correlative rights. Allowing Orca to drill the Kelly #12-1-1H well at the proposed location and to produce oil and/or gas from the Mississippi formation through that horizontal wellbore will prevent economic waste and will not violate correlative rights.

11. Orca requests that the Kelly #12-1-1H well be granted a full allowable in accordance with rules and regulations of the Commission.

WHEREFORE, Orca Operating Company, LLC ("Orca") prays that if no written protest is received by the Conservation Division within fifteen (15) days after notice of this Application

has been duly published and served, that this Commission grant Orca's Application for a well location exception for the drilling of the Kelly #12-1-1H well and assign a full allowable to that well, as requested herein, at the appropriate time in accordance with the laws of the State of Kansas and the orders of this Commission.



David E. Bengtson (#12184)  
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Email: david.bengtson@stinson.com

*Attorneys for Orca Operating Company, LLC*

VERIFICATION

STATE OF KANSAS            )  
  ) ss:  
COUNTY OF SEDGWICK    )

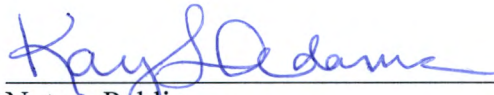
David E. Bengtson, of lawful age, being first duly sworn upon oath states:

That he is the attorney for the Applicant named in the foregoing Application and is duly authorized to make this verification; that he has read the foregoing Application and knows the contents thereof and that the facts set forth therein are true and correct to the best of his information and belief.



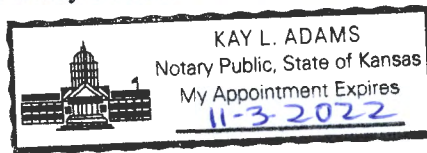
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David E. Bengtson

SUBSCRIBED AND SWORN to before me this 1<sup>st</sup> day of February, 2019.



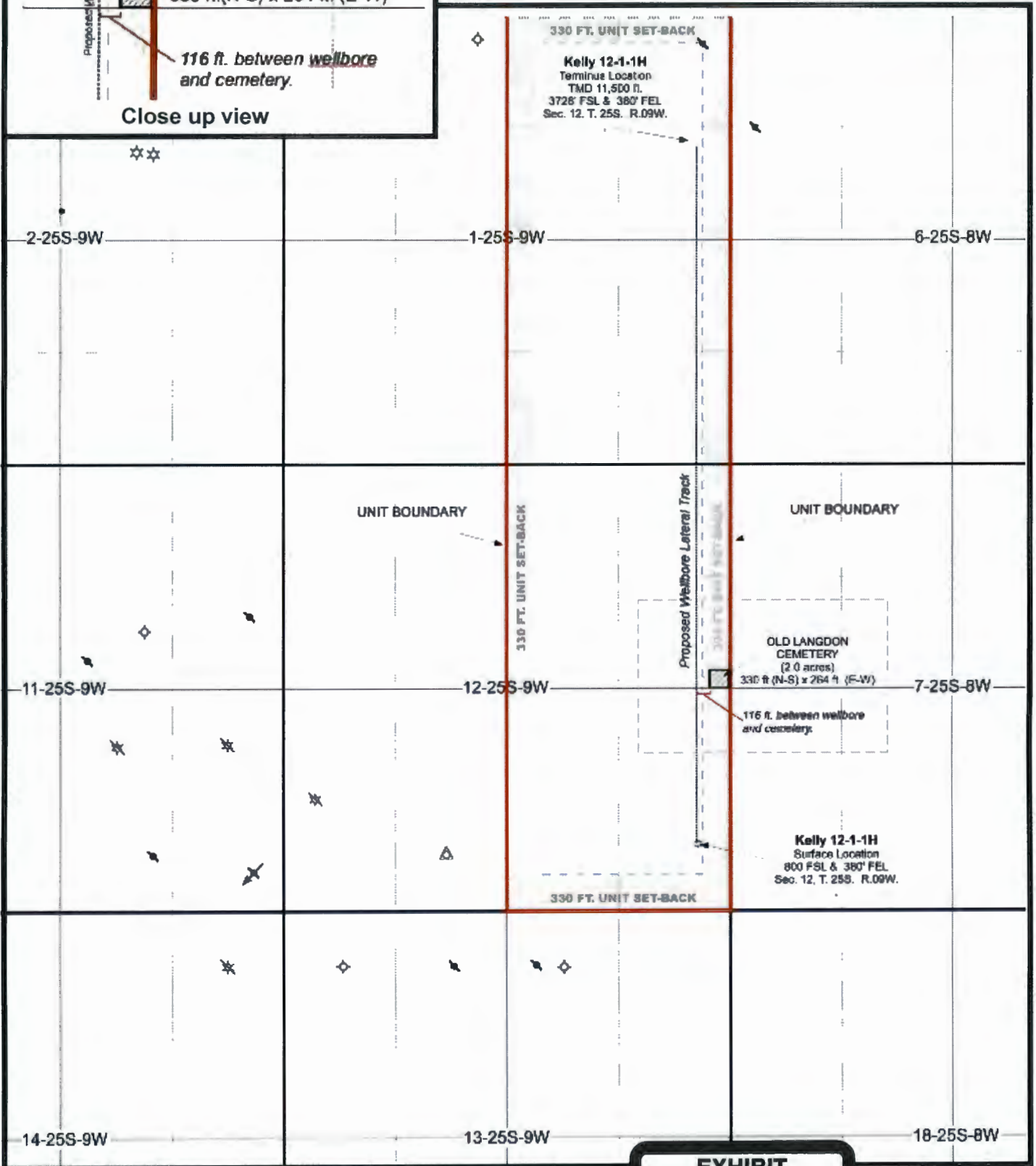
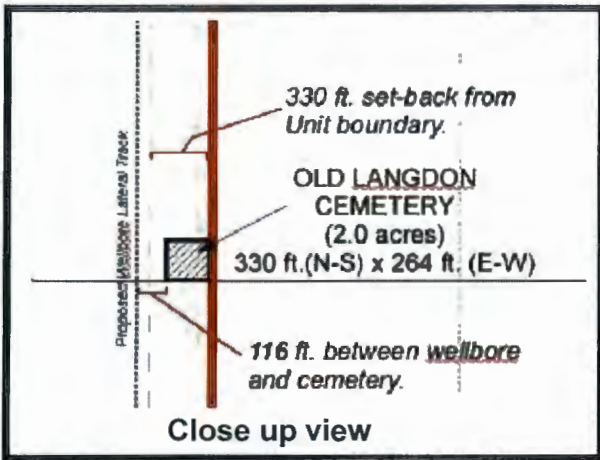
\_\_\_\_\_  
Notary Public

My Appointment Expires:  
11/3/2022



Orca Operating Company, LLC  
Kelly 12-1-1H Horizontal Well Drilling Permit Application

**Location Exception Plat.**  
E/2 SEC. 1 & E/2 SEC. 12, T. 25 S., R. 09 W.  
(less a 2 acre tract owned by Old Langdon Cemetery)



EXHIBIT

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