BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the matter of the Application of Darrah Oil)	Docket No. 25-CONS-3338-CEXC
Company for an exception to the 10-year time)	
limitation of K.A.R. 82-3-111 for its Younkin)	CONSERVATION DIVISION
A-1 well located in the NE/4 of Section 19)	
Township 14 South, Range 33 West, Logan)	License No. 35615
County, Kansas.)	

APPLICATION

Darrah Oil Company, LLC ("Applicant") submits this Application requesting an exception to the 10-year temporary abandonment time limitation set forth in K.A.R. 82-3-111(b) for its Younkin A-1 well pursuant to K.A.R. 82-3-100(b). In support of its Application, Applicant states as follows:

- 1. Applicant is a Kansas limited liability company authorized and in good standing with the Kansas Secretary of State's office to do business in Kansas. Applicant's mailing address is 125 N Market, Suite 1015, Wichita, KS 67202.
- 2. The Commission has issued Applicant oil and gas operator's License No. 35615, which license is in full force and effect through September 30, 2025.
- 3. Applicant is the operator of the Younkin A-1 well ("Subject Well"), API No. 15-109-21344, located approximately 3,708' FSL and 1,940' FEL, in Section 19-T14S-R33W, Logan County, Kansas. The Subject Well is located on a valid and subsisting oil and gas lease covering the NE/4 of said Section 19, and approximately 72 other quarter-sections in the area ("Leased Premises").
- 4. The Subject Well was shut-in on or about March 31, 2015, and temporary abandonment status for the Subject Well has been maintained since that time.

- 5. On March 27, 2025, Commission staff denied Applicant's Temporary Abandonment Application for the Subject Well on the grounds that the Subject Well had been shut-in for more than 10 years. In the notice denying the Temporary Abandonment Application, Commission staff required this Application to be submitted by April 26, 2025, in order to continue temporary abandonment status for the Subject Well.
- 6. K.A.R. 82-3-111 imposes a 10-year limitation on the amount of time during which a well may be temporarily abandoned. K.A.R. 82-3-111(b) provides that an exception to this 10-year limitation may be obtained, provided an application seeking such an exception is filed pursuant to K.A.R. 82-3-100(b). This Application seeks such an exception for the Subject Well.
- 7. On March 25, 2025, the Subject Well passed a Commission staff-witnessed mechanical integrity test of the casing between the surface and a point within 50' above the uppermost perforation in the Subject Well.
- 8. Applicant wishes to continue the temporary abandonment status for the Subject Well so that it may potentially be converted for saltwater disposal in the future.
- 9. Applicant operates several wells within the area of the Subject Well, and is actively exploring and developing its leasehold acreage within the area of the Subject Well. Applicant believes that its existing and any future wells completed in the area will eventually require access to a saltwater disposal well, and the Subject Well is an ideal candidate. Access to a saltwater disposal well would ultimately extend the economic life of Applicant's existing and future wells in the area of the Subject Well, therefore, granting this application will prevent waste.
- 10. The estimated cost to convert the Subject Well to a saltwater disposal well and equip it for injection is estimated to be \$45,000, whereas the cost to haul water in the area of the Subject Well is approximately \$400 per truck load. Accordingly, the economics of utilizing the

Subject Well for injection as opposed to hauling numerous loads of saltwater are favorable. The Subject Well was drilled and completed using Alternate II methods by a prior operator, and was not perforated for production. As such, and as demonstrated by the MIT recently conducted on the Subject Well, any threat to fresh water is mitigated. The estimated cost to plug and abandon the Subject Well is \$10,000 to \$15,000.

- 11. Attached as Exhibit A is a plat map showing the location of all producing, injection, temporarily abandoned, abandoned, and plugged wells located on the Leased Premises. As demonstrated on the plat, there are no other wells of any type within one mile of the Subject Well.
- 12. For the foregoing reasons, Applicant requests that the Commission grant an exception to the 10-year time limitation for temporary abandonment status set forth in K.A.R. 82-3-111, specifically to allow the Subject Well to remain eligible for temporary abandonment status for three years following the expiration of the 10-year limitation. While the Subject Well remains shut-in during such three-year period, Applicant will continue to annually submit temporary abandonment applications.
- 13. A list of each operator and owner of unleased minerals, other than Applicant, within 1/2-mile of the Subject Well ("Offsets") is attached as Exhibit B. A copy of this Application and the Notice of Application is being sent to each Offset contemporaneous with the filing of this Application. The Notice of Application will be published in the *Wichita Eagle* and the *Oakley Graphic*, the official newspaper for Logan County, Kansas. As a result, notice complies with the requirements of K.A.R. 82-3-135a, and is lawful and proper in all respects. Each publisher's affidavit will be provided to the Commission upon and after the date of publication of the Notice of Application.

WHEREFORE Applicant requests that the Commission docket this Application and, if no written protest is received within 15 days after Notice of the Application is published and has been duly provided to all interested parties, administratively grant this Application and issue an order granting an exception to the 10-year time limitation prescribed by K.A.R. 82-3-111, and allow the Subject Well to remain temporarily abandoned for three additional years, subject to annual approval by the applicable Conservation Division District Office. In the event a timely and proper protest is filed, Applicant requests that the Commission set this Application for hearing, and upon such hearing grant the requested order and make such other provisions as it deems necessary and proper.

Respectfully submitted,

MORRIS LAING LAW FIRM

By:

Jonathan A. Schlatter, #24848

300 N. Mead, Suite 200

Wichita, KS 67202-2745

Telephone - (316) 262-2671

Email – <u>jschlatter@morrislaing.com</u> *Attorneys for Darrah Oil Company, LLC*

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

Jonathan A. Schlatter, being of lawful age and being first duly sworn upon his oath, deposes and says:

That he is the attorney for Darrah Oil Company, LLC; he has read the above and forgoing Application and is familiar with the contents, and that the statements made therein are true and correct to the best of his knowledge and belief.

Jonathan A. Schlatter

SIGNED AND SWORN to before me this 11th day of April, 2025.

Notary Public

My Appointment expires: 11/05/2028

CAROL A. HANNON
Notary Public - State of Kansas
My Appt. Expire: 11/05/2028

EXHIBIT A

Plat

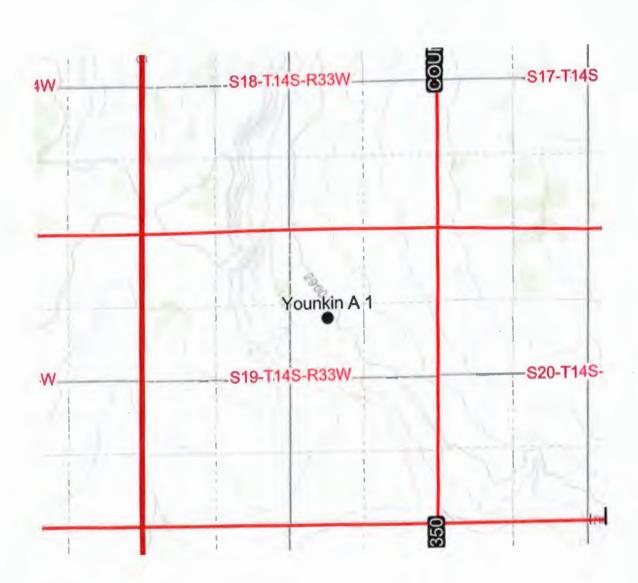


EXHIBIT B

Offsets

The Nature Conservancy P. O. Box 4345 Topeka, KS 66604

Russell Oil, Inc. P. O. Box 8050 Edmond, OK 73083

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NOTICE OF APPLICATION

TO ALL: OIL AND GAS OPERATORS, PRODUCERS AND LESSEES, OIL AND GAS LESSORS AND ROYALTY OWNERS, UNLEASED AND OFFSETTING MINERAL INTEREST OWNERS, LANDOWNERS, AND ALL PERSONS CONCERNED:

You are hereby notified that Darrah Oil Company, LLC ("Applicant") has filed an application with the Kansas Corporation Commission ("Commission") requesting an exception to the ten-year temporary abandonment time limitation of K.A.R. 82-3-111(b) for its Younkin A-1 oil well located approximately 3,708' FSL and 1,940' FEL of Section 19-T14S-R33W, Logan County, Kansas.

The application is pending with the Commission. Any persons who object or protest to such application shall be required to file their objections or protests in writing with the Commission within 15 days from the date of this publication. If a written protest is not timely filed, the application may be granted by the Commission without hearing or further notice to any interested party. All objections and protests shall clearly state the reasons why granting the application will violate correlative rights, cause waste or pollution. Objections or protests shall be mailed to the Kansas Corporation Commission, Conservation Division, 266 N. Main St., Ste. 220, Wichita, KS 67202, with a copy to Applicant's attorneys listed below. All parties in any way interested or concerned shall take notice of the foregoing and govern themselves accordingly.

MORRIS LAING LAW FIRM Jonathan A. Schlatter, #24848 300 N. Mead, Suite 200 Wichita, KS 67202-2745 Office: (316) 262-2671 Attorneys for Darrah Oil Company, LLC

CERTIFICATE OF SERVICE

I certify that on this 11th day of April, 2025, I caused the original of the foregoing Application and its Exhibits A and B and Notice of Application to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and true and correct copies of the same to be mailed by United States Postal Service, first class mail, postage prepaid, to the persons identified on Exhibit B to the original application.

Jonathan A. Schlatter