

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the matter of the application of Hawkins Oil,) Docket No. 23-CONS-3270-CHOR
LLC for an order permitting its Marsh #16)
horizontal well to be drilled in Section 6, Township) CONSERVATION DIVISION
26 South, Range 5 East, Butler County, Kansas.)
_____) License No. 32693

ORDER GRANTING AMENDED APPLICATION

Hawkins Oil, LLC (Operator) has filed an Amended Application, seeking authority to drill the captioned well and asking for the assignment of a full production allowable. For the reasons and as described below, Operator's Amended Application is granted.

1. The Commission finds that its exclusive jurisdiction and authority under K.S.A. 74-623 to regulate oil and gas activities in Kansas provides it jurisdiction regarding this matter.

2. Operator proposes to drill the captioned well from a surface location of 2,047 feet from the north line and 1,145 feet from the east line of Section 6, Township 26 South, Range 5 East, Butler County, with a bottom-hole location 2,394 feet from the north line and 2,060 feet from the east line in the same section, township, and range. Operator intends to drill to a total vertical depth of 2,681 feet. From the surface location, Operator proposes deviating southwesterly at 3 degrees at 600 feet, increasing to approximately 26 degrees at approximately 1,379 feet, and maintaining that deviation to total vertical depth. Operator intends to produce from the Arbuckle formation, the top of which it anticipates finding at 2,550 feet.¹

3. The captioned well's deviation from surface to the top of the producing formation exceeds seven degrees; accordingly, K.A.R. 82-3-103a(b) requires application and notice

¹ See Amended Application, ¶¶ 4-6 (Oct. 12, 2023).

pursuant to K.A.R. 82-3-135a for Operator to obtain Commission approval to drill the well.² The Commission has examined notice and finds it to be acceptable, further noting no timely protest.³

4. Under K.A.R. 82-3-108, an oil or gas well in Butler County (the proposed location of the captioned well) cannot be drilled nearer than 330 feet from any lease or unit boundary line without an application for a well location exception. The Commission takes administrative notice of Docket 23-3126, wherein on February 9, 2023, the Commission granted Operator a well location exception for a vertical well to be drilled at 2,394 feet from the north line and 2,060 feet from the east line of Section 6, Township 26 South, Range 5 East, Butler County⁴ – the same proposed location as the bottom-hole terminus of the captioned well.

5. In its Amended Application, Operator notes Docket 23-3126 and attaches a copy of the Commission’s Order Granting Application, but does not explicitly request a well location exception for the captioned well. Based upon information provided by Operator in Docket 23-3126, it appears the proposed bottom-hole terminus of the captioned well will be only 246 feet away from Operator’s lease line.⁵ The Commission shall interpret Operator’s request in the present docket to include a request for any necessary well location exception. Approval of the drilling of the captioned well, which Operator clearly seeks, seemingly cannot occur without approval of a well location exception; further, the Amended Application explicitly identifies Operator’s plan, and any interested party was put on adequate notice. The collective data before

² See K.A.R. 82-3-103a.

³ Operator filed its Application April 14, 2023, and provided affidavits evidencing May 2023 publication of notice. The text of the Application (but not Exhibit B) and the published notice placed the surface location at 4,687 feet from the north line, rather than 2,047 feet from the north line. Operator’s October 12, 2023, Amended Application, which placed the surface location 2,047 feet from the north line, stated Operator would “proceed to publish its notice of its application” “upon the filing of this application.” See Amended Application, ¶ 12. The record does not indicate any notice was published subsequent to May 2023. The Commission, however, finds the May 2023 published notices, which accurately identified the bottom-hole location and the depth and degrees of drilling, along with the October 2023 mailed notices, sufficiently apprised any interested parties of Operator’s request.

⁴ See Docket 23-3126, Order Granting Application (Feb. 9, 2023). Commission records reflect that well has not been drilled. See K.A.R. 82-1-230(h).

⁵ See Docket 23-3126, Application, ¶ 3 (Oct. 3, 2022).

the Commission is sufficient for the Commission to make a well-reasoned, informed determination regarding the appropriateness of a well location exception.

6. On August 17, 2023, Operator submitted a confidential filing in this docket. The contents are identical to those of Operator's August 18, 2023, public filing, and the confidential filing does not comport with the Commission's regulations regarding confidentiality.⁶

7. The Commission notes Staff has recommended approval of Operator's Amended Application.⁷ The Commission finds the captioned well will prevent waste and protect correlative rights, and that granting Operator's Amended Application raises no pollution issues.⁸

THEREFORE, THE COMMISSION ORDERS:

A. Operator's Amended Application to drill the captioned well is granted, including the necessary well location exception. The captioned well shall be drilled in the manner described in this Order. The captioned well is granted a full allowable

B. Future wells completed into the same formation as the captioned well shall be set back from the captioned well's entire completion interval, rather than its surface location. The captioned well shall have a standard drilling unit, except that the acreage shall be reduced along the southern side to match the lease line.

C. Operator's August 17, 2023, confidential filing shall not be considered confidential; it is and shall be publicly available.

D. Operator's Amended Application is being granted via summary proceedings; thus, this Order does not take effect until after the time for requesting a hearing has expired.⁹ Any party may request a hearing on the above issues by submitting a written request setting forth the specific grounds upon which relief is sought, to the Commission at 266 N. Main, Suite 220,

⁶ See K.A.R. 82-1-221a.

⁷ See Staff Recommendation on Amended Application (Nov. 13, 2023).

⁸ See K.A.R. 82-3-100(b).

⁹ See K.S.A. 77-537.

Wichita, Kansas 67202, within 15 days from the date of service of this Order.¹⁰ If a hearing is not requested then this Order shall become effective upon expiration of the time for requesting hearing.¹¹ A request for hearing must comply with K.A.R. 82-1-219.

E. If this Order becomes effective, then any party may file and serve a petition for reconsideration pursuant to the requirements established by K.S.A. 77-529(a)(1).¹²

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 12/19/2023



Lynn M. Retz
Executive Director

Mailed Date: 12/19/2023

JRM

¹⁰ See K.S.A. 77-542.

¹¹ See K.S.A. 77-537.

¹² See K.S.A. 55-606; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

23-CONS-3270-CHOR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of
electronic service on 12/19/2023.

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/S/ KCC Docket Room

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