

JAN 25 2019

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

CONSERVATION DIVISION
WICHITA, KS

In the matter of the Application of Casillas)
Petroleum Corp. for an exception to the 10)
Year time limitation of K.A.R. 82-3-111 for)
Lightner D.R. 1-2 well located in the NW/4)
of section 8, Township 26 South, Range 31)
West, Finney County, Kansas.)

Docket No. 18-CONS-¹⁹3249-CEXC

CONSERVATION DIVISION

License No.: 34997

APPLICATION

COMES NOW Casillas Petroleum Corp. ("Applicant") in support of its Application in the captioned matter and states as follows:

1. Applicant is an Oklahoma corporation and is duly authorized to do business within the State of Kansas. Casillas's correct mailing address is: Casillas Petroleum Corp., 401 S. Boston Ave, Suite 2400, Tulsa, OK 74103.
2. Applicant has been issued by the Kansas Corporation Commission Operator's License 34997, which expires on 11-30-2019.
3. Applicant is the owner and operator of the Lightner D.R. 1-2 well, 15-055-21785-0000("the subject well"), which is located in the Southwest of the Southwest Quarter of the Northwest Quarter of Section 8, Township 26 South, Range 31 West, Finney County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands:

[e.g., All of the Section 8, Township 26 South, Range 31 West, Finney County, Kansas, containing 640 acres, more or less ("leased premises").]

4. Pursuant to K.A.R. 82-3-111, the well was shut in, or Applicant obtained temporary abandonment status, for the subject well on 07-29-2005. The subject well has maintained such status from 07-29-2005, to the present date.
5. On or about 10-20-2015, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after 12-19-2015, because subject well had been temporarily abandoned for more than ten (10) years.
6. K.A.R. 82-3-111 imposes a 10-year limitation on the amount of time during which wells may be temporarily abandoned, but an exception to the 10-year limitation may be obtained pursuant to said regulation through an Application filed with the Commission pursuant to K.A. R. 82-3-100. Applicant seeks such an exception.
7. On 01-22-2019, the subject well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within fifty (50) feet above the uppermost perforation or open hole in the well.
8. Applicant wishes to continue TA status for the subject well, because Applicant intends to use the well for the following purpose: This well can potentially be used as a salt water disposal well.
9. Applicant submits the following information regarding the well in support of the Application.
 - a. 3 Wells Lightner DR 1 producing, Lightner DR 1-2 TA, & non op PA well.
 - b. Estimated P&A \$12,000 per well (\$24,000).
 - c. 18 MCFD.
 - d. Remaining reserves for this well are 56,965mcf. Based on forecasted reserve analysis on the Lightner DR 1.
 - e. Well is currently TA'd. When gas prices recover from the down cycle we can resume production on nearby wells that produce a lot of water. Once we do that we can convert this well to a SWD.
 - f. \$50,000 to perform recompletion.

10. Applicant has included a plat map showing the locations of all producing, injection, temporarily abandoned, abandoned, and plugged wells located on the same leased premises as the subject well.
11. Based on the foregoing, Applicant requests the Commission grant an exception to the 10-year limitation, specifically to allow the subject well to remain eligible for temporary abandonment status for three (3) years following the expiration of the 10-year limitation. Applicant understands that the exception would be valid for three (3) years, but Applicant would still need to apply annually to the Conservation Division District Office for approval of an application for temporary abandonment status.
12. Listed in the attached Exhibit "A" are the names and addresses of the following persons:
 - a. Each operator of each oil and gas lease covering lands within one-half (1/2) mile radius of the subject well; and
 - b. Each person who owns any mineral interest of record in and under any lands located within one-half (1/2) mile radius of subject well (provided that such mineral interest is not covered by any oil and gas lease).
13. Notice of this Application will be published pursuant to K.A.R. 82-3-135a. In addition, notice of the hearing to be held in this matter will be provided as prescribed by K.A.R. 82-3-135.

WHEREFORE, Applicant prays that this matter be granted administratively without a hearing, or in the alternative be set for hearing, and upon hearing that the Commission grant Applicant's request, for an exception to the K.A.R. 82-3-111 ten (10) year limitation, to allow the subject will to remain temporarily abandoned for three (3) years, subject to annual approval by the Conservation Division District Office of an application for Temporary abandonment status.

Respectfully Submitted,

Melissa Imler
348 Rd. DD
Satanta, KS 67870
620-276-3693 ext. 105
620-276-8963 Fax

BY 
Melissa Imler

CERTIFICATE OF SERVICE

I hereby certify on this 24 day of January, 2019, true and correct copies of the above and foregoing Application and the Notice of Application were served by depositing copies of the same in the United States Mail, postage prepaid, and properly addressed to the landowner/s set forth in paragraph 14 of said application and each party set forth in Exhibit "A" attached to said Application filed by Applicant, and the original and seven (7) copies were hand delivered to the Kansas Corporation Commission.

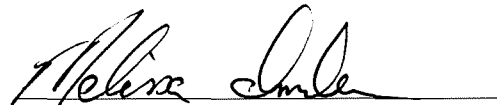
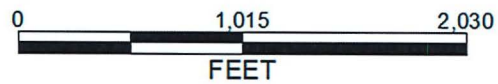

Melissa Imler

EXHIBIT A

No offset operators to contact.

Casillas Petroleum Corp

HOUGOTON EMBAYMENT



POSTED WELL DATA

●
Well Name
Well Number
Operator

WELL SYMBOLS
☀ Gas Well
⊙ Dry Hole
X Abandoned Location - Permit

January 11, 2019

