

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION)
OF LINN OPERATING, INC. FOR AN) DOCKET NO. 15-CONS-776-CUNI
ORDER PROVIDING FOR THE)
UNITIZATION AND UNIT OPERATION OF)
A PART OF THE HUGOTON AND)
PANOMA COUNCIL GROVE GAS FIELDS)
IN THE ALTERNATE TRACT UNIT)
DESCRIBED AS SECTION 12-27S-38W) OPERATOR NO. 33999
(SE/4), SECTION 07-27S-37W (SW/4)) CONSERVATION DIVISION
SECTION 18-27S-37W (NW/4), SECTION)
13-27S-38W (NE/4) IN GRANT COUNTY,)
KANSAS (ATU 150X))

RECEIVED
KANSAS CORPORATION COMMISSION

APR 09 2015

LEGAL SECTION

WRITTEN PROTEST
AND
REQUEST FOR HEARING

COMES NOW, Don K. Williams (hereafter referred to as "Mineral Owner"), an owner of minerals in the proposed "Alternate Tract Unit" (ATU) and does hereby protest the Commission adopting as its order, all of the Sections of Exhibit A to the Applicants Application, as the order of the Commission and protests in general, the formation of the proposed "Alternate Tract Unit" (ATU), and does hereby request a hearing concerning the proposed Application.

This "Mineral Owner", specifically states:

1. The lengthy and overreaching Unit Agreement is not necessary and should not be adopted "carte blanche" as the Commission's order but instead, the order of the Commission should state only:

"The Commission does hereby authorize "the formation of the herein described "Alternate Tract Unit" (ATU) and the drilling of the ATU well on said unit and further orders that the production from the ATU well be shared with all leases contained within the production unit."

(Verbiage from Linn Operating documentation - used for other Units, Exhibit 1)

2. In the event the ATU is authorized, it should not be more burdensome than the other units in Grant County, which were formed by the consent of the Owners pursuant to a one page document, a sample of said form is

attached hereto as Exhibit 1.

3. Please note, this "Mineral Owner", by suggesting the above order, is not consenting to the formation of the ATU but instead, continues with his protest thereof.
4. This "Mineral Owner" doubts that 75% of the Mineral Owners in this proposed ATU have entered into "one Agreement", with the unit operator and each other. This "Mineral Owner" requests that the Applicant be required to make specific proof that the Mineral Owners have agreed to "Exhibit A".
5. If the Commission is, over the protest of this "Mineral Owner", going to approve the ATU and the appropriations thereby, incorporating the terms which have been set out in the proposed document entitled "Unit Agreement", then the Commission has the obligation to review the proposed Unit in detail and find for each Section (and Sub-Sections) that the particular provision therein is necessary and reasonable and does not unnecessarily overreach into the rights of the Property Owners and, as Property Owners and as Citizens of the United States and the State of Kansas.
6. This "Mineral Owner" (on behalf of himself and the citizens of the State of Kansas) specifically objects to the provision in Section 3.3 of the "Unit Agreement", which deprives the Citizens of all excess to the court system to protect their rights via appropriate litigation by the following words:

"... any **default**, forfeiture or penalty provision in any such oil and gas lease or other contract shall be suspended and of no force or effect **during the term of this Agreement**". (Emphasis added)

(Note: That barr from the court could last for more than a century - production of existing units in Grant County are now in many cases, their 64th year)

7. This "Mineral Owner" objects specifically to Section 3.8 of the "Unit Agreement" as being overreaching, unnecessary, and allowing the Unit Operator to seize and transfer to unknown third parties, without compensation to the Mineral and Surface Owner, property rights.
8. This Mineral Owner has serious objections with numerous

other sections of the proposed orders of the Commission when it adopts as its order, the Unit documentation (ie., Unit Agreement) which include (but are not limited to) Sections 1.2, 1.3, 3.8 (which must be completely removed).

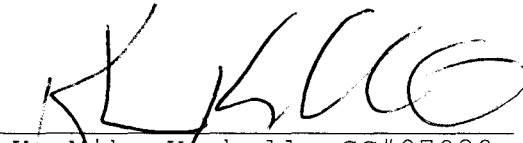
9. Some of the provisions need to be re-drafted so that operations will not interfere unnecessarily with the Mineral Owner's rights, such as, Sections 1.17. 9.4 and 10.3, be drafted in such a way that it would not interfere with an installment (with escrowed deed) sale of real estate holdings including the mineral interest. Installment contracts have income tax benefits and are useful in estate planning.
10. The orders and documentation should make it clear that the Mineral Owner is not entering into the Operating Agreement and/or in any way responsible for the way and method and operation of the Unit.
11. The Mineral Owner should not be required to "indemnify" any person or entity (Article 9.1).
12. There are many other provisions in the documentation which are over reaching and unnecessary. The Commission should consider (with input from the Royalty Owners) each section of the documentation separately and make specific decisions as to whether or not the provision:
 - a. Is necessary.
 - b. Causes an improper confiscation, without compensation of property rights of the Mineral Owner and/or Surface Owner.
 - c. Endangers the rights of individual citizens and the public.
 - d. Endangers usable uncontaminated water.
 - e. Is not overreaching and is clearly stated.
13. The Commission does not have the jurisdiction to barr for any period of time, Royalty Owners' access to the courts or, the power to confiscate, without consideration, property rights or, grant the Applicant the power to assign and transfer to others, the property rights of the Royalty Owners.

WHEREFORE, this Mineral Owner requests that:

- A. The Commission decline the authorization and formation of the described ATU.
- B. In the event the Commission decides to authorize the formation of the unit then, the Commission's order be limited to only the formation of the Unit and the description of how royalty is to be distributed (as set out in Section 1. above).
- C. In the event the Commission decides to authorize the formation of the Unit, that it not adopt "carte blanche", the Exhibit "A" of the Application and instead consider each Section of the Unit documentation separately as described in Section 12., above.
- D. In addition, the Commission should make the appropriate orders to protect the surface and mineral owners constitution and other rights, and make appropriate orders to protect the water rights of the surface owner, the public, and the State of Kansas.
- E. A hearing be held concerning all matters related to this proposed "ATU".

Don K. Williams by
KIMBALL LAW FIRM, LLP.

By



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Ulysses, Kansas 67880
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FAX (620) 356-3098
E-Mail: hkac@pld.com
Attorney for Don K. Williams

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF GRANT)

K. Mike Kimball, being of lawful age, first being duly sworn upon oath, states and avers:

That he is the attorney for Don K. Williams, and has read the foregoing WRITTEN PROTEST AND REQUEST FOR HEARING, and is familiar with the contents and that the statements made therein are true and correct to the best of his knowledge and belief.



K. Mike Kimball

SUBSCRIBED AND SWORN to before me this 3rd day of April, 2015.


Tamera J. Oliver

My Appointment Expires: 12/18/18

CERTIFICATE OF MAILING

I, K. Mike Kimball, do hereby certify that on this 3rd day of April, 2015, a true and correct copy of the above **Written Protest and Request for Hearing**, was mailed by depositing the same in the United State's Mail, postage prepaid and properly addressed to:

Linn Operating, Inc., by serving by mail, its attorney:

Stanford J. Smith, Jr.
MARTIN, PRINGLE, OLIVER, WALLACE,
& BAUER, L.L.P.
100 North Broadway, Suite 500
Wichita, Kansas 67202

Original to:

State Corporation Commission
of the State of Kansas
Conservation Division
130 S. Market, Room 2078
Wichita, Kansas 67202

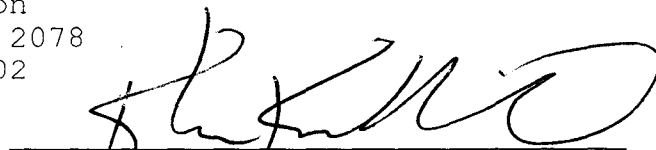

K. Mike Kimball

Exhibit 1

I (we), the undersigned owner(s), do hereby give consent to Linn Operating Inc., its successors and assigns, for the formation of the hereinabove described alternate tract unit (ATU) and the drilling of the ATU well upon said unit. I (we) understand that the production from said ATU Well will be shared with all leases contained within each of the production units comprising the ATU.

Owner Name: _____
(Signature)

Owner Name: _____
(Printed)

Date: _____

Owner Name: _____
(Signature)

Owner Name: _____
(Printed)

Date: _____

STATE OF _____

COUNTY OF _____

On this _____ day of _____, 201_, before me, the undersigned Notary Public in and for said county and state, personally appeared _____ known to me to be the person or persons whose names are subscribed to the foregoing instrument, and acknowledged that the same was executed and delivered as their free and voluntary act for purposes therein set forth. In witness whereof I hereunto set my hand and official seal as of the date hereinabove stated.

My Commission Expires _____

Notary Public

STATE OF _____

COUNTY OF _____

On this _____ day of _____, 201_, before me, the undersigned Notary Public in and for said county and state, personally appeared _____ known to me to be the person or persons whose names are subscribed to the foregoing instrument, and acknowledged that the same was executed and delivered as their free and voluntary act for purposes therein set forth. In witness whereof I hereunto set my hand and official seal as of the date hereinabove stated.

My Commission Expires _____

Notary Public