

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 06 2019

CONSERVATION DIVISION
WICHITA, KS

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the matter of the Application of StrataKan Exploration,) Docket No. 20 CONS- 3046 -CEXC
LLC for an exception to the 10-year time limitation of)
K.A.R. 82-3-111 for its Vavroch #4 well located in the) Conservation Division
Center of the Northeast Quarter of the Northwest Quarter)
Of Section 4, Township 4 South, Range 28 West,)
Decatur County, Kansas.) License No: 34975

APPLICATION

COMES NOW StrataKan Exploration LLC ("Applicant") in support of its Application in the captioned matter and states as follow:

1. Applicant is a Limited Liability Company authorized to do business in the State of Kansas. Applicant's address is 100 South Main St., Plainville, KS 67663.
2. Applicant has been issued by the Kansas Corporation Commission Operator's License number 34975.
3. Applicant is the owner and operator of the Vavroch #4 well, API #15-039-19041 ("the subject well"), which is located in the Center of the Northeast Quarter of the Northwest Quarter of Section 4, Township 4 South, Range 28 West, Decatur County, Kansas. The subject well is located on an active oil lease comprising the following lands:

South Half (S/2) in Section 33, Township 03 South, Range 28 West and the North Half (N/2) in Section 04, Township 04 South, Range 28 West
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 May 17, 2005. The subject well has maintained such status from May 17, 2005 to the present date.
5. The previous operator (Edison Operating Company, LLC) of the subject well had applied for 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.

6. Applicant wishes to continue TA status for the subject well, because Applicant intends to use the well for the following purpose: The wellbore is part of a Lansing/Kansas City formation water flood. The wellbore has perforation in the flooded zones and may be utilized in the future as either a producer or an injection well as the flood matures.
7. On July 25, 2019, the subject well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point 169 feet above the uppermost perforation in the well.
8. Applicant submits the following information regarding the well in support of the Application;

See Exhibit A

9. 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. See enclosed
10. 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 an additional three (3) years following the expiration of the previous three (3) exception to the 10-year limitation.

Applicant understands that the exception would be valid for three years, but Applicant would still need to apply annually to the Conservation Division District Office for approval of an application for temporary abandonment status.

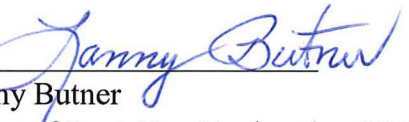
12. Listed in the attached Exhibit "B" are the names and addresses of the following persons:
 - A. Each operator of each oil and gas lease covering lands within one-half (1/2) mile radius of the subject well; and
 - B. Each person who owns any mineral interest of record in and under any lands located within one-half (1/2) mile radius of subject well

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 well 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,

StrataKan Exploration LLC
100 South Main
Plainville, KS 67663
(785) 688-4241 (office)
(785) 688-4240

By: 
Lanny Butner
Agent of StrataKan Exploration LLC

CERTIFICATE OF SERVICE

I hereby certify on the 6th day of August, 2019, true and correct copies of the above and foregoing Application and 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 12 of said Application and each party set forth in Exhibit 'B' attached to said Application filed by Applicant, and the original and seven (7) copies were hand delivered to the Kansas Corporation Commission.



Lanny Butner

Agent of StrataKan Exploration LLC

EXHIBIT A

A.

LEASE	WELL TYPE	API#	SEC.	TWN.	RG
Vavroch Unit #14	oil	15-039-20190-00-00	33	3	28
Vavroch Unit #15	oil	15-039-20245-00-00	33	3	28
Vavroch Unit #16	oil	15-039-20863-00-00	33	3	28
Vavroch Unit #2	EOR	15-039-00688-0001	4	4	28
Vavroch Unit #6	EOR	15-039-00595-0001	4	4	28
Vavroch Unit #4	TA	15-039-19041-0000	4	4	28

B.

ESTIMATED PLUGGING EXPENSES TO PLUG THE VAVROCH #4:

WELL SERVICE RIG	\$7500.00
WIRELINE SERVICES	\$2500.00
TUBING RENTAL	\$1500.00
CEMENTING SERVICES	\$8500.00
DIG PIT AND WATER	\$2000.00
MISCELLANEOUS	<u>\$1500.00</u>
TOTAL	\$23,500.00

C.

2019 OIL PRODUCTION	MONTH	BO
	JAN	335
	FEB	327
	MAR	333
	APR	330
AVERAGE OF 11.1 BOPD		

D. SEE ATTACHED RESERVE REPORT REMAINING RESERVES: 34,348 BBLS

E.

THE SUBJECT WELL, IN ORDER TO PRODUCE OR INJECT AT A FUTURE TIME WILL NEED THE FOLLOWING:

1. RUN IN HOLE WITH BAILER AND KNOCK OUT BRIDE PLUG AT 3350'
2. IF A PRODUCER: RUN PRODUCTION TUBING, SWAB TEST AND RUN IN HOLE WITH BOTTOM HOLE PUMP AND SUCKER RODS. PUT WELL INTO PRODUCTION.
3. IF AN INJECTOR: FILE APPLICATION WITH THE KCC FOR INJECTION, RUN IN WELL WITH INJECTION PACKER AND COATED INJECTION TUBING. MIT WELL.

F.

THE SUBJECT WELL HAS PASSED A MIT AS OF JULY 25, 2019. NO FURTHER ACTION IS NEEDED.

Economic Report (20 Year)

Lease: Vavroch
 Owner:
 County: Decatur
 State: KS
 Date: 05-Aug-2019
 Time: 15:21:29

Location: SESENE
 Section: 4
 Township: 4S
 Range: 28W
 Field: VAVROCH
 Reservoir: Kansas City Group
 API: 15-039-00594-, 1503919041

Date	Oil [bbls]	Revenue Int. - Oil [%]	Net Oil [bbls]	Oil Price [\$ /bbl]	Net Oil Revenue [\$]	Gas [mcf]	Revenue Int. - Gas [%]	Net Gas [mcf]	Gas Price [\$ /mcf]	Net Gas Revenue [\$]
Aug/19	1,529	82.000000	1,254	45.00	56,427	0	0.000000	0	0.00	0
2020	3,548	82.000000	2,909	45.00	130,910	0	0.000000	0	0.00	0
2021	3,382	82.000000	2,773	45.00	124,788	0	0.000000	0	0.00	0
2022	3,224	82.000000	2,643	45.00	118,954	0	0.000000	0	0.00	0
2023	3,073	82.000000	2,520	45.00	113,393	0	0.000000	0	0.00	0
2024	2,929	82.000000	2,402	45.00	108,081	0	0.000000	0	0.00	0
2025	2,792	82.000000	2,289	45.00	103,026	0	0.000000	0	0.00	0
2026	2,662	82.000000	2,182	45.00	98,210	0	0.000000	0	0.00	0
2027	2,537	82.000000	2,080	45.00	93,619	0	0.000000	0	0.00	0
2028	2,418	82.000000	1,983	45.00	89,233	0	0.000000	0	0.00	0
2029	2,305	82.000000	1,890	45.00	85,059	0	0.000000	0	0.00	0
2030	2,197	82.000000	1,802	45.00	81,083	0	0.000000	0	0.00	0
2031	1,752	82.000000	1,437	45.00	64,667	0	0.000000	0	0.00	0
2032	0	0.000000	0	0.00	0	0	0.000000	0	0.00	0
2033	0	0.000000	0	0.00	0	0	0.000000	0	0.00	0
2034	0	0.000000	0	0.00	0	0	0.000000	0	0.00	0
2035	0	0.000000	0	0.00	0	0	0.000000	0	0.00	0
2036	0	0.000000	0	0.00	0	0	0.000000	0	0.00	0
2037	0	0.000000	0	0.00	0	0	0.000000	0	0.00	0
2038	0	0.000000	0	0.00	0	0	0.000000	0	0.00	0
Subtotal:	34,348		28,166		1,267,451	0		0		0
Remaining:	0	0.000000	0	45.00	0	0	0.000000	0	0.00	0
Total:	34,348		28,166		1,267,451	0		0		0

Date	Total Net Revenue [\$]	Working Int. [%]	WI Well Count	Net Oper Exp [\$]	Net Taxes [\$]	Net Invest [\$]	Net Salvage [\$]	Net Cash Flow [\$]	Cum Cash Flow [\$]	15% NPV [\$]
Aug/19	56,427	100.000000	1.00	30,000	2,959	0	0	23,468	23,468	22,936
2020	130,910	100.000000	1.00	72,000	6,865	0	0	52,045	75,514	46,153
2021	124,788	100.000000	1.00	72,000	6,544	0	0	46,244	121,758	35,662
2022	118,954	100.000000	1.00	72,000	6,238	0	0	40,716	162,474	27,307
2023	113,393	100.000000	1.00	72,000	5,946	0	0	35,447	197,921	20,676
2024	108,081	100.000000	1.00	72,000	5,668	0	0	30,413	228,334	15,428
2025	103,026	100.000000	1.00	72,000	5,403	0	0	25,623	253,958	11,306
2026	98,210	100.000000	1.00	72,000	5,150	0	0	21,060	275,018	8,083
2027	93,619	100.000000	1.00	72,000	4,909	0	0	16,710	291,727	5,580
2028	89,233	100.000000	1.00	72,000	4,679	0	0	12,553	304,281	3,648
2029	85,059	0.000000	1.00	72,000	4,460	0	0	8,599	312,880	2,176
2030	81,083	100.000000	1.00	72,000	4,252	0	0	4,831	317,711	1,067
2031	64,667	100.000000	1.00	60,000	3,391	0	0	1,276	318,987	250
2032	0	0.000000	0.00	0	0	0	0	0	318,987	0
2033	0	0.000000	0.00	0	0	0	0	0	318,987	0
2034	0	0.000000	0.00	0	0	0	0	0	318,987	0
2035	0	0.000000	0.00	0	0	0	0	0	318,987	0
2036	0	0.000000	0.00	0	0	0	0	0	318,987	0
2037	0	0.000000	0.00	0	0	0	0	0	318,987	0
2038	0	0.000000	0.00	0	0	0	0	0	318,987	0
Subtotal:	1,267,451			882,000	66,464	0	0	318,987		200,272
Remaining:	0	0.000000	0.00	0	0	0	0	0	0	0
Total:	1,267,451			882,000	66,464	0	0	318,987	318,987	200,272

Decline Parameters Used In Forecast							
Start Date	Qi [Units/Mo]	Di [Nominal]	b	Qa [Units/Mo]	Np	End Date	Product
Jul-1990	1241.9	0.048	0.000	102.3	286067	Aug-2042	Oil [bbls]

10% NPV [\$]: 228,902
 20% NPV [\$]: 178,151
 30% NPV [\$]: 146,569
 Last Production: Oct-2031
 Investment [\$]: 0
 Payout [Years]: 0.00
 ROI: 0.00
 IRR [%]: 400.00

Vavroch

Decatur COUNTY, KS

Oil [bbls]

Water [bbls]

Gas [mcf]

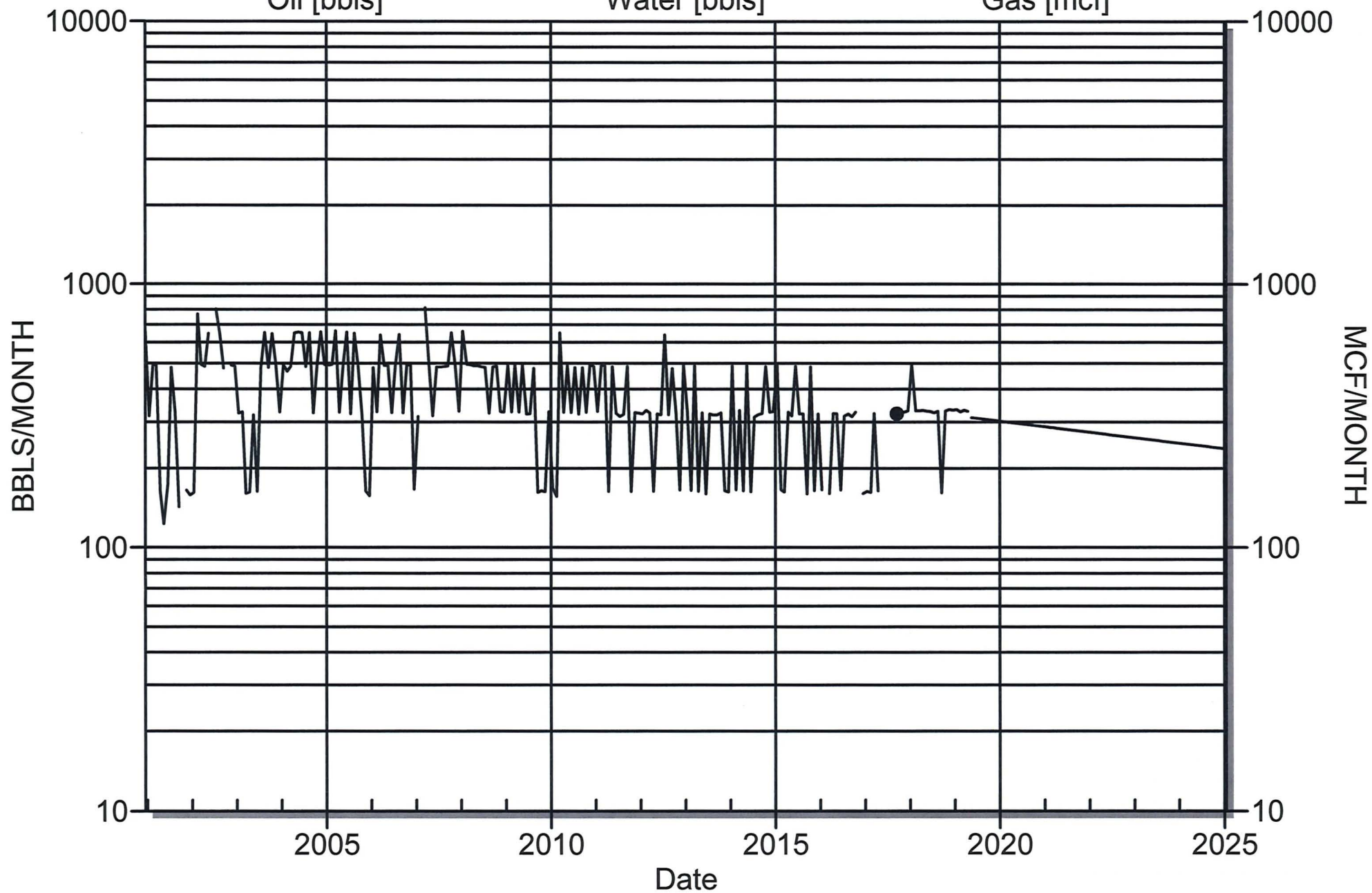


EXHIBIT B

THERE IS NOT AN OFFSET OPERATOR FOR THE VAVROCH LEASE

PERSONS WHO OWN A MINERAL INTEREST WITHIN ONE-HALF MILE RADIUS

VAVROCH FARMS
1210 COURT PLACE
COLBY, KANSAS 67701

N/2 SEC. 4-4S-28W DECATUR CO. ,KS

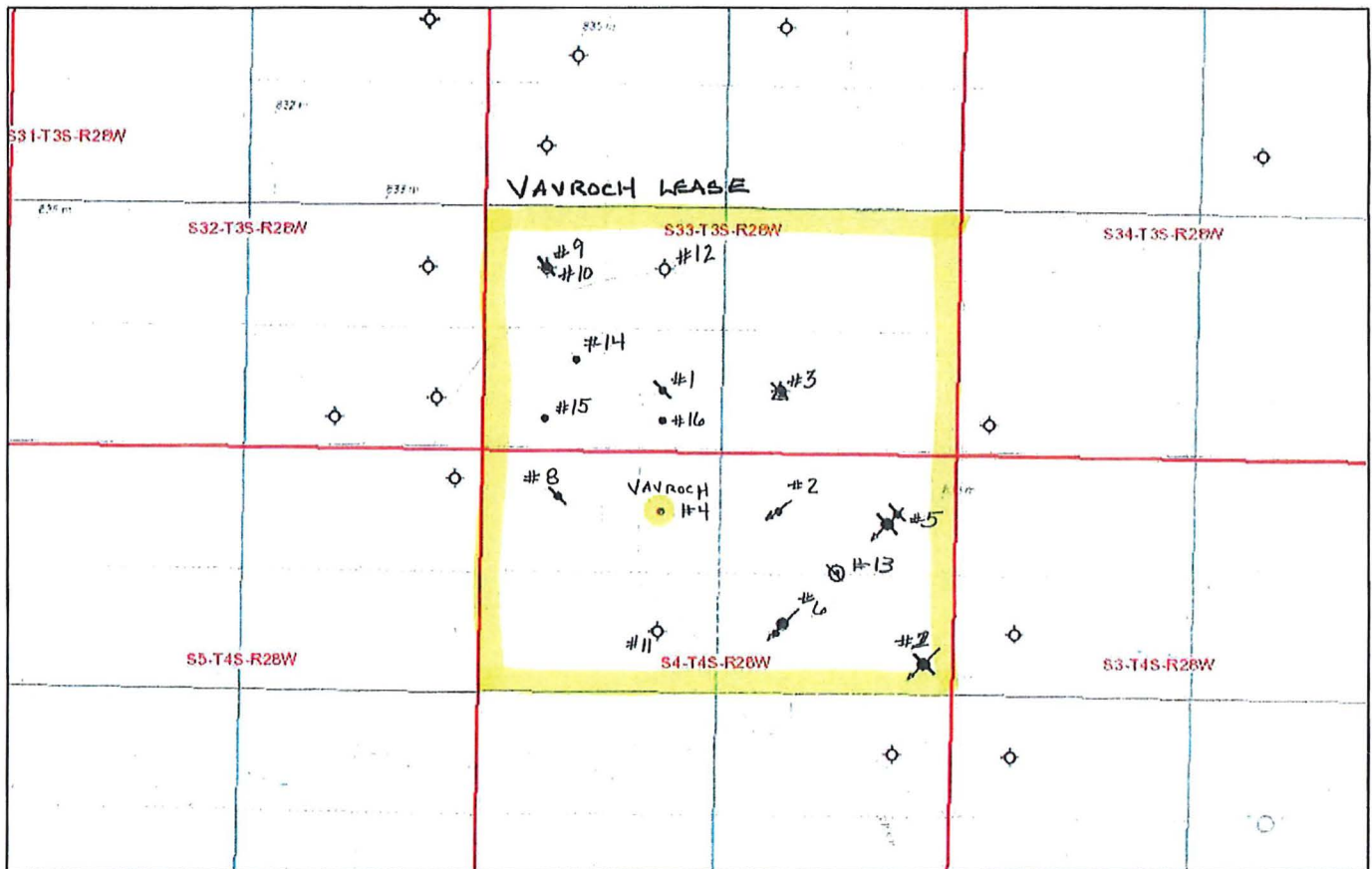
RICH C. CHAMBERS LIVING TRUST
P. O. BOX 873
HAYS, KANSAS 67601

E/2 NE/2 SEC. 5-4S-28W DECATUR CO. KS

ROXIE A. ERICKSON REV. TRUST
2003 N. POINTE DRIVE
MANHATTAN, KANSAS 66502

E/2 SE SE SE/4 SEC. 32-3S-28W DECATUR CO., KS

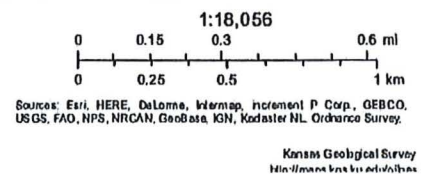
VAVROCH 4 10 YEAR EXTENSION



July 29, 2015

- PRODUCER
- ~ PLUGGED
- ⊕ DRY HOLE
- ~ INJECTOR
- ⊗ SOURCE WELL (PLUGGED)

• APPLICANT WELL.



CASING MECHANICAL INTEGRITY TEST	
Disposal Well <input type="checkbox"/>	Enhanced Recovery:
TA Purposes X	Repressuring <input type="checkbox"/>
	Flood <input type="checkbox"/>
	Tertiary <input type="checkbox"/>
Date injection started	
API #15- <u>039-17259</u> <u>19041</u>	

DOCKET# _____

C-NE-NW/4 , Sec 4 , T 4 S,R 28 E/W

4620 Feet from South Section Line

3300 Feet from East Section Line

Lease Vavroch Well # 4

County Decatur

Operator: StrataKan Exploration LLC.

Operator License# 34975

Name &

Address 100 S. Main

Contact Person Justin Prater

Plainville Kansas 67663

Phone (785)-688-4241

Max. Auth. Injection Press _____ Psi; Max Inj. Rate _____ bbl/d;

If Dual Completion – Injection above production _____ Injection below production _____

	Conductor	Surface	Production	Liner	Tubing
Size		8 5/8	5 1/2		Size
Set at		234	3928		Set at
Cement Top		W300sx	W/140sx		Type
" Bottom		234	3928		

DV/Perf. Perforations@ 2140 TD (and plug back) 3930 3897 CIBP @ 3550 ft. depth

Packer type _____ Size _____ Set at _____

Zone of injection KC 3719-28, 3795-3806 ft. to ft. 3823-36 Perf. or open hole Perf

Type MIT: Pressure: ☐ Radioactive Tracer Survey: ☐ Temperature Survey: ☐

F Time: Start 0 Min 15 Min 30 Min

I Pressures: 320 320 320 Set up 1 System Pres. during test _____

L Set up 2 Annular Pres. during test _____

D Set up 3 Fluid loss during test _____ bbls.

A * 1 barrel to load casing. 22

T Tested: Casing ☒ or Casing – Tubing Annulus ☐

A

The bottom of the tested zone in shut in with CIBP

Test Date July 25, 2019 Using Hoxie Inc. Company's Equipment

The operator hereby certifies that the zone between 0 feet and 3550 feet

was the zone tested

Signature

Title

The results were Satisfactory ☒ Marginal _____ Not Satisfactory _____

State Agent: Darrel Dieken Title: ECRS Witness: YES ☒ NO _____

REMARKS: barrels to load annulus. Turn 2 sign MLN proceed east

Origin. Conservation Div.: Kcc KDHE/T: 4 Dist. Office

Computer Update Is there Chemical Sealant or a Mechanical Casing patch in the annular space? (Y/N) ☐

GPS Lat 39.73937 GPS Long -100.47137

(If YES please describe in REMARKS)
KCC Form U-7