

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

Before Commissioners: Mark Sievers, Chairman
 Thomas E. Wright
 Shari Feist Albrecht

In the matter of the application of McElvain)	Docket No. 13-CONS-485-CHOR
Energy, Inc for an Order Permitting the Drilling)	
of a Well to be Drilled Horizontally in the)	CONSERVATION DIVISION
Pawnee Formation, pursuant to K.A.R. 82-3-)	
103a, Upon Certain Lands Located in Trego)	License No. 9810
County, KS.)	

ORDER

The above captioned matter comes before the State Corporation Commission of the State of Kansas for consideration and determination. Having examined its files and records, and being duly advised in the premises, the Commission makes the following findings:

I. JURISDICTION

1. K.S.A. 74-623 provides that the Commission has the exclusive jurisdiction and authority to regulate oil and gas activities.
2. K.S.A. 55-155 provides licensing authority to the Commission.
3. K.A.R. 82-3-103a provides that any hole drilled horizontally into a formation for production may only be permitted after application and notice under K.A.R. 82-3-135a.

II. FINDINGS OF FACT

1. Commission records indicate the operator is currently licensed to conduct oil and gas activities in Kansas under K.S.A. 55-155.
2. The operator filed an application on June 18, 2013 requesting permission to drill its proposed Schlegel 9 #3H well in Trego County, Kansas.

3. The operator has verified that notice was properly served and published, as required under K.A.R. 82-3-135a, at least 15 days before the issuance of this Order.
4. No protests under K.A.R. 82-3-135b were filed.
5. The subject well will be completed in the Pawnee formation.
6. The surface location of the subject well shall be located in the Northeast Quarter of the Northwest Quarter of Section 9, Township 11 South, Range 22 West.
7. The operator has verified that the entire completion interval of the horizontal wellbore will comply with the applicable setback requirement under K.A.R. 82-3-108.
8. The bottom hole location will be in the Southeast Quarter of the Southwest Quarter of Section 9, Township 11 South, Range 22 West.
9. The following acreage will be attributed to the subject well: West Half (W/2) of Section 9, Township 11 South, Range 22 West.

III. CONCLUSIONS OF LAW

10. The Commission has jurisdiction over the operator and this matter.
11. The application was filed in accordance with the rules and regulations of the Commission and Kansas statutes.
12. Notice was properly served and published.
13. Based on the available facts, the Commission finds that the application should be granted to prevent waste and protect correlative rights.

THEREFORE, THE COMMISSION ORDERS:

- A. The application for a horizontal well is granted, the acreage described above is attributed to the subject well, and a full allowable is assigned to the subject well.

B. Applicant shall provide directional surveys to ensure compliance with the Commission's general rules and regulations setback requirements from lease and unit boundaries.

C. Applicant shall ensure that the drilling rig is equipped with a blowout preventer.

D. This Order is a summary proceeding pursuant to K.S.A. 77-537, which provides in paragraph (b)(4) that summary proceedings are not effective until the time for requesting a hearing has expired. K.S.A. 77-542 provides that a request for hearing shall be filed within 15 days of any agency notice resulting in a right to request a hearing. If service of this Order is by mail, three days are added to the deadline. Any party taking an action permitted by this summary proceeding before the deadline for requesting a hearing has expired shall be deemed to have waived their right to a hearing pursuant to K.S.A. 77-504.

E. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 130 South Market, Room 2078, Wichita, Kansas 67202-3802. Pursuant to K.S.A. 55-606, K.S.A. 66-118b, and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action permitted by this summary proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

F. The Commission retains jurisdiction of the subject matter and the parties and may enter additional orders as it deems appropriate.

BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chmn.; Wright, Com.; Albrecht, Com.

Date: JUL 16 2013



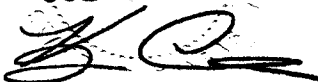
Kim Christiansen
Executive Director

Date Mailed: 7-17-2013

LRP

I CERTIFY THE ORIGINAL
COPY IS ON FILE WITH
The State Corporation Commission

JUL 16 2013



CERTIFICATE OF SERVICE

I certify that on 7-17-2013, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

Kate Conway
Mc Elvain Energy, Inc.
1050 17th Street, Suite 2500
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Case Morris
KCC District #4 Office

And by hand delivery to the following:

Jim Hemmen, Research Analyst
Production Department, Central Office

/s/ Lane R. Palmateer
Lane R. Palmateer
Litigation Counsel
Kansas Corporation Commission