

FEB 07 2018

CONSERVATION DIVISION
WICHITA, KS

2018-02-08 10:48:35
Kansas Corporation Commission
/s/ Lynn M. Retz

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

Before Commissioners: Jay Scott Emler, Chairman
Shari Feist Albrecht
Pat Apple

In the matter of the Application of SEK Energy,
LLC ("Operator") for an exception to the 10-year
time limitation of K.A.R. 82-3-111 for its
Beachner, Jim #3-4 well located in the NW/4)
of Section 04, Township 32 South, Range 18)
East, Labette County, Kansas.)

Docket No. ~~16-CONS-___-CEXC~~ *18-CONS-3319-CEXC*

CONSERVATION DIVISION

License No.: 33739

APPLICATION

COMES NOW SEK Energy, LLC ("Applicant") in support of its Application in the captioned matter and states as follows:

1. Applicant is a LLC authorized to do business in the State of Kansas. Applicant's address is 149 Benedict Road, Benedict, KS 66714.

2. Applicant has been issued by the Kansas Corporation Commission Operator's License #33739, which expires on 02/28/2018.

3. Applicant is the owner and operator of the Beachner, Jim #3-4 well, API No. 15-099-24019-0000 ("the subject well"), which is located in the Southwest Quarter of the Southwest Quarter of the Northwest Quarter of Section 04, Township 32 South, Range 18 East, Labette County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands:

See Attached Exhibit "A"

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 07/31/2007. The subject well has maintained such status from 07/31/2007, to the present date.

5. On or about 04/06/17, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after 07/31/17, 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. The subject well is capable of passing 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: To be completed as oil/gas well

9. Applicant submits the following information regarding the well in support of the Application. See attached Exhibit "B"

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 "C" 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 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,

SEK Energy, LLC
P.O.Box55
620-698-2150
620-698-2180

By

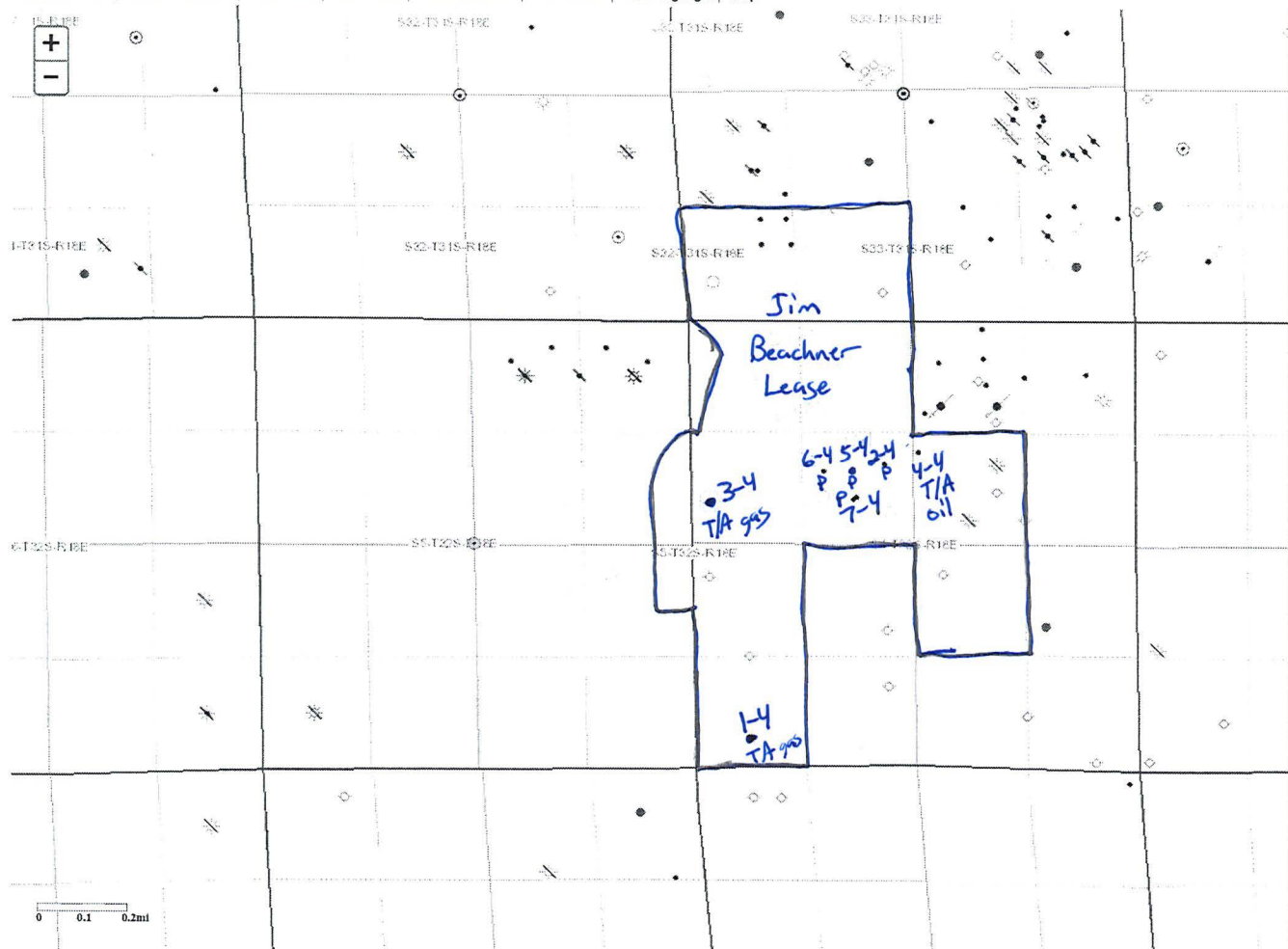
Douglas Lamb

CERTIFICATE OF SERVICE

I hereby certify on this 15th day of January, 2018, 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 12 of said Application and each party set forth in Exhibit "C" attached to said Application filed by Applicant, and the original and seven (7) copies were hand delivered to the Kansas Corporation Commission.

Douglas Lamb

Kansas Oil and Gas

Statewide View | [Zoom to Location](#) | [Filter Wells](#) | [Label Wells](#) | [Download Wells](#) | [Print to PDF](#) | [Clear Highlight](#) | [Help](#)

Layers | Info | Legend | Links

OIL or GAS WELL

API: 15-099-24019
Lease: Beachner, James R.
Well: 3-4
Original Operator: SEK Energy, LLC
Current Operator: SEK Energy, LLC
Field: CHEROKEE BASIN COAL AREA
Location: T32S R18E Sec. 4 SW SW NW
3146 North, 5025 West from SE corner
Longitude (NAD27): -95.4465395
Latitude (NAD27): 37.2896255
County: Labette
Permit Date: Jul-21-2006
Spud Date: Jul-26-2006
Completion Date: Jul-31-2006
Plugging Date:
Well Type: CBM
Status: Inactive Well
Total Depth: 1040
Elevation: 949.0000 GL
Producing Formation: MISSISSIPPI
IP Oil (bbl):
IP Water (bbl):
IP Gas (mcf):

Links:

- [Full KGS Database Entry](#)

Exhibit "A"

The North Half of the Northwest Quarter ($N\frac{1}{2} NW\frac{1}{4}$) of Section Four (4), Township Thirty-two (32), Range Eighteen (18), EXCEPT THE FOLLOWING: Beginning at the Northwest corner of Lot 4, Section 4, Township 32, Range 18, thence East along the North line thereof, 760 feet; thence South $82^{\circ}13'21''$, East 330 feet; thence south $18^{\circ}25'19''$ West, 740.98 feet; thence Southwesterly on a straight line to the Southwest corner of said Lot 4; thence North along the West line thereof to the point of beginning also so much thereof used for public highway or road, Labette County, Kansas and

The South Half of the Southwest Quarter ($S\frac{1}{2} SW\frac{1}{4}$) of Section Thirty-three (33), Township Thirty-one (31) South, Range Eighteen (18) East of the 6th P.M. except so much thereof taken, deeded or used for easement purposes for Big Bill Lake and except so much thereof as is used for highway or road, Labette County, Kansas and

Beginning at the Southwest corner of Section Thirty-three (33), Township Thirty-one (31), Range Eighteen (18) East of the 6th P.M. in Labette County, Kansas, thence North along Section line 644.23 feet, thence deflecting to the right on an angle of $90^{\circ}52'$ East 680.23 feet, thence South 636.51 feet to South line of Section, thence West 680.23 feet to the point of beginning, containing 10.0 acres.

The South half of the Northwest Quarter; the West half of the Southwest Quarter; the Southwest Quarter of the Northeast Quarter; the North 33 feet of the Southeast Quarter of the Northeast Quarter; the Northwest Quarter of the Southeast Quarter; and one rod off the East end of the South half of the Southwest Quarter; and One rod square in the Southeast corner of the Northeast Quarter of the Southwest Quarter all in Section 4, Township 32 South, Range 18 East of the 6th P.M., Except so much thereof as is used for public highway or road, Labette County, Kansas.

Beginning at the Northeast corner of the South half of the Northeast Quarter of Section 5, Township 32 South, Range 18 East, thence South $34^{\circ}28'39''$ West 253.63 feet, thence South 385 feet, thence South $39^{\circ}10'25''$ West 348.28 feet, thence South $01^{\circ}55'50''$ East 445.25 feet, thence South $29^{\circ}32'20''$ West 172.41 feet, thence South $87^{\circ}16'25''$ West 313.36 feet, thence Northwesterly on a straight line 195.65 feet, more or less to the South line of said South half of Northeast Quarter, thence West to the Northwest corner of Northeast Quarter of Southeast Quarter, thence South along the West line thereof to a point 865 feet North of the Southwest corner of Northeast Quarter of Southeast Quarter, thence South $15^{\circ}58'29''$ East 318.26 feet, thence South $34^{\circ}20'16''$ East 466.26 feet, thence South $16^{\circ}27'57''$ East 163.27 feet to a point on the South line of Northeast Quarter of Southeast Quarter, thence East along South line 890 feet to the Southeast corner of Northeast Quarter of Southeast Quarter, thence North along East line to the point of beginning. Except so much thereof as is used for public highway or road, all in Labette County, Kansas.

Exhibit "B"

Information in Support of the Application to Extend TA status

- a. There is a total of 7 wells on the lease. 4 Producing oil wells, 1 T/A oil well, and 2 T/A CBM gas wells.
- b. SEK estimates that it would cost approximately \$5,000 to plug this well and an additional \$5,000 for the remaining wells.
- c. The Beachner oil lease makes approximately 5 Bbls/day
- d. We estimate remaining oil reserves to be 50k+ barrels and gas reserves to be 250k+ Mcf. Our estimates are based off existing oil production on the lease of 23k barrels over 10 years with multiple locations left to drill and also potential for secondary recovery which should result in 2-3 times the initial production. The 250k+ Mcf gas reserves is a conservative estimate based on 50k+ MCF cumulative average for potential gas wells to be completed on the lease in the future. Other nearby gas wells have cumulative production of this amount over 10 year period.
- e. This well has been drilled, cased and cemented to surface. To place the well into service will require perforating, fracking, downhole equipment, wellsite equipment, installing electric, and mainly installing water/gas flowlines.
- f. SEK has invested over \$35,000 thus far and estimates that it will cost between \$60,000-\$75,000 to finish putting the well into service.

Exhibit "C"

SEK Energy, LLC
P.O. Box 55
Benedict, KS 66714

A. Operators

1. **Fastrak Energy, LLC**, 543 A 22000 Road, Cherryvale, KS 67335

B. Landowners

1. **Jim & Rebecca Beachner**, 21078 US Hwy. 59, Parsons, KS 67357
2. **Michelle & Chris Kowalsky**, 543 A 22000 Road, Cherryvale, KS 67335
3. **Larry & Jeanne Driskel**, P.O. Box 296 Road, Cherryvale, KS 67335
4. **David & Shirlene Mahurin**, 5215 20th Road, Thayer, KS 66776