

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

In the matter of the Application of Scout Energy)
Management LLC for an exception to the 10-year
time limitation of K.A.R. 82-3-111 for its Becker)
Gas Unit 'D' 3 well located in the SE NW NW)
Quarter of Section 25, Township 31 South,)
Range 33 West, of Seward County, Kansas)

25-CONS-3178-CEXC
Docket No.: (Assigned by Staff)

CONSERVATION DIVISION

License No.: 34832

APPLICATION

COMES NOW, Scout Energy Management LLC ("Operator") in support of its application
in the captioned matter and states as follows:

1. Applicant is a Limited Liability Corporation authorized to do business in the State of
Kansas.

Applicant's address is 13800 Montfort Drive, Suite 100, Dallas, Texas 75240

2. Applicant has been issued by the Kansas Corporation Commission Operator's
License #34832 which expires on December 30, 2024.

3. The applicant is the owner and operator of the Becker Gas Unit 'D' 3 well, API #15-
175-21907 ("subject well"), which is in the Southeast Quarter of the Northwest Quarter of the
Northwest Quarter of Section 25, Township 31 South, Range 33 West, of Seward County, Kansas.

The subject well is located on an active oil and gas lease or unit comprising the following lands:

Northwest Quarter of Section 25, Township 31 South, Range 33 West, of
Seward County, Kansas, containing 160 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 November 25, 2014. The subject well has maintained
such status from November 25, 2014, to the present date.

5. On or about January 19, 2024, the Kansas Corporation Commission notified the applicant, temporary abandonment status for the subject well would be denied from and after November 25, 2024, because the 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 or around December 9, 2024, the subject well will go through 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 temporary abandon status for the subject well, because applicant intends to use the well for the following purpose:

- Scout Energy has identified substantial remaining reserves in the Becker Gas Unit 'D' 3 through a comprehensive analysis of previous production data from the subject well and other production within the lease.

9. Scout Energy Management LLC aims to retain the temporary status of the Becker Gas Unit 'D' 3 well due to its significant reserve potential. Before its temporary abandonment, the well produced approximately 30 Mcfd, but operational challenges – specifically high-water production in the completed zone and low gas prices at the time – necessitated its closure. We are planning to recomplete an offset well nearby as a saltwater disposal well to mitigate water hauling cost from the Becker Gas Unit 'D' 3. With current market conditions and improved gas pricing, this well has the potential to become economically viable. Realizing this potential requires adequate

time for regulatory approvals, strategic planning, and precise engineering. Scout anticipates this process to take approximately two (2) years for completion. Within the same lease, there is one (1) operational gas well, collectively producing an average of 58 Mcfd. From a cost perspective, plugging and abandoning the Becker Gas Unit 'D' 3 would cost approximately \$30,000, whereas repairing and restoring the well to productivity is estimated at \$15,000 – demonstrating a clear economic advantage to pursuing the repair and redevelopment of the well.

10. The 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 (Figure 1).

11. Based on foregoing, applicant request 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:

- Each operator of each oil and gas lease covering lands within one-half (1/2) mile radius of the subject well; and
- Each person who owns any mineral interest of record in and under any lands located within one-half (1/2) mile radius of the subject well (provided that such mineral interest is not covered by any oil and gas lease).

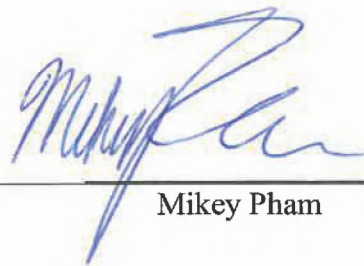
13. Notice of this Application will be published pursuant to K.A.R. 82-3-135a. In

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,

Scout Energy Management LLC
13800 Montfort Drive
Dallas, Texas 75240
Main # (972) 277-1397
Fax # (469) 485-3122



Mikey Pham

VERIFICATION

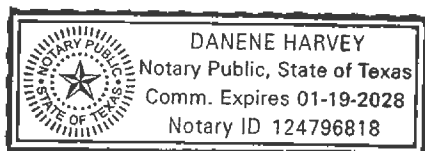
STATE OF TEXAS)
) ss:
COUNTY OF DALLAS)

Mikey Pham, of lawful age, being duly sworn upon his oath deposes and states:

That he has the authority on behalf of Scout Energy Management LLC to file this application, that he has read the above and foregoing application and is familiar with the contents thereof; and, that the statements made therein are true and correct to the best of his knowledge and belief.



SUBSCRIBED AND SWORN to before me this 19th day of November 2024.



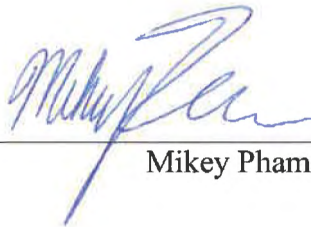
Notary Public

My Appointment Expires:

1-19-2028

CERTIFICATE OF SERVICE

I hereby certify on this 19th day of November, 2024, 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, each party set forth in Exhibit "A" attached to said Application filed by Applicant, and the original to the Kansas Corporation Commission.



Mikey Pham

EXHIBIT "A"

SURROUNDING OPERATOR(S)

Name	Street	City	State	Zip
Scout Energy Management LLC	13800 Montfort Drive, Suite 100	Dallas	TX	75240

SURFACE OWNER

Name	Street	City	State	Zip
Beelman Family Trust	24024 S Stoney Path Drive	Sun Lakes	AZ	85248

UNLEASED MINERAL OWNERSHIP

Name	Street	City	State	Zip
Scout Energy Management LLC	13800 Montfort Drive, Suite 100	Dallas	TX	75240



Zoom to

WELL - Becker Gas Unit 'D' 3 15-175-21907

KGS Well Record: [View Record](#)

API: 15-175-21907

Lease: Becker Gas Unit 'D'

Well: 3

Well Type: GAS

Status: Inactive Well

Original Operator: BP America Production Co.

Current Operator: Scout Energy Management LLC

Field Name: Hugoton

Location: T31S R33W Sec 25, SE NW NW

Footages: 1250 South, 1250 East from NW corner

Latitude, Longitude (NAD27): 37.326351, -100.864511

Well Location Source: FOOTAGES

County: Seward

Permit Date: 09/19/2003

Spud Date: 10/21/2003