

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

In the matter of the Application of Pantera)
Energy Company for an exception to the 10-)
year time limitation of K.A.R. 82-3-111 for its)
McHargue A 2 well located in the SW/4 of)
Section 2, Township 33 South, Range 34 West;)
Seward County, Kansas.)

Docket No. 24-CONS-3294-CEXC
CONSERVATION DIVISION
License No.: 35681

APPLICATION

COMES NOW Pantera Energy Company (“Applicant”) in support of its application in the captioned matter and states as follows:

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

Applicant’s address is 817 S Polk ST STE 201, Amarillo, TX 79101.

2. Applicant has been issued by the Kansas Corporation Commission Operator’s License 35681, which expires on 04/30/2025.

3. Applicant is the owner and operator of the McHargue A 2 well, 15-175-20526-0000 (“the subject well”), which is located in the Northeast Quarter of the Southwest Quarter of Section 2, Township 33 South, Range 34 West, Seward County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands:

Southwest Quarter of Section 2, Township 33 South, Range 34 West, Seward County,
Kansas.

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 11/01/1999. The subject well has maintained such status from November 1999 to the present date.

5. On or about 3/28/2024, the Kansas Corporation Commission notified Applicant that temporary abandonment status for the subject well would be denied because the subject well had been temporarily abandoned for more than ten (10) years. K.A.R. 82-3-111 provides for an additional exception to be obtained through an application filed with the Commission. Operator seeks such an exception.

6. 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 was completed on 4/5/2024.

7. Applicant wishes to continue TA status for the subject well because Applicant intends to use the well for the following purpose:

- a) stimulate the existing completion in the St. Louis to restore production, and;
- b) the McHargue A 2 is a useable wellbore for the St. Louis waterflood unit that is presently being evaluated by Pantera.

8. Pantera Energy Company wishes to continue temporary abandonment status for the subject well because Pantera intends to return the well to production by fracture stimulating the St. Louis completion to bypass near well bore damage. The McHargue A-2 is located in Section 2-T33S-R34W, Seward Co., KS and had produced more than 110,000 barrels of oil prior to production falloff due to a casing leak. Based on a successful recompletion operation and restoration of 10 to 15 BOPD, the remaining primary reserves for the McHargue A-2 are estimated to be 40 MBO. In addition, the St. Louis reservoir has secondary waterflood potential. St. Louis secondary reserves are estimated to be 400 MBO, based on a secondary to primary ratio of .75. Future utilization of the Mchargue A-2 wellbore could also be as a water injection well. A detailed geologic and engineering study is underway to fully characterize the remaining primary and waterflood development potential, including the number of new wells needed to fully develop the

waterflood patterns. In January 2023 Pantera drilled two new St. Louis producers, the Mchargue A-5 & A-6. The Mchargue A-5 initial potential was over 200 BOPD and cumulative production is 29,700 BO. The cost to drill and complete a new well for single-well production use would be \$700,000. The cost to re-activate the Mchargue A-2 as a oil producer is estimated to be \$190,000. This cost includes casing leak repair, cementing services and drill out, perforating, stimulation, testing, artificial lift equipment, and facility modification. The cost to plug and abandon the McHargue A-2 is \$36,000. The McHargue A-2 well bore has been successfully CIT'd ensuring mechanical integrity required for continued safe TA status during the time required to complete the technical review.

9. 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.

10. Listed in the attached Exhibit "A" 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).

11. 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,

Pantera Energy Company
817 S Polk ST Suite 201
Amarillo, TX 79101
(806)376-6625

By

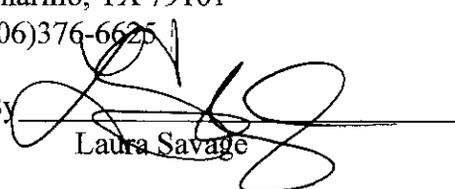

Laura Savage

EXHIBIT A

Operator

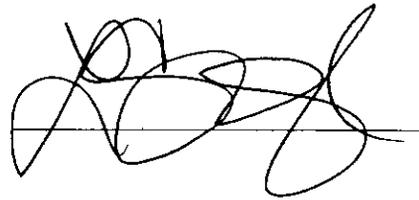
Merit Energy Company, LLC
13727 Noel Road, Suite 1200
Dallas, TX 75240-7362

Surface Owner

Hitch Land & Cattle Co
Box 76
Guymon, OK 73942

CERTIFICATE OF SERVICE

I hereby certify on this 23th day of April, 2024, 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 each of the landowner(s) and operator(s) set forth in Exhibit "A" attached to said Application filed by Applicant, and the above and foregoing original Application was uploaded to the Kansas Corporation Commission via E-filing Express to a new docket.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

34

35

32S
34W

3

2

HITCH 1
MERIT

MCHARGUE
'A' 6
PANTERA

MCHARGUE
'A' 2
PANTERA

33S 34W

MCHARGUE 'A' 1

McHargue
'A' 4-H
PANTERA

MCHARGUE
'A' 5
PANTERA

MCHARGUE
'A' 3
PANTERA

10

11

EXPLANATION

-  APPLICANT WELL
-  RECOMPLETED D&A
-  Producing Gas Well
-  P&A OIL WELL
-  Oil Well
-  INACTIVE OIL WELL
-  INACTIVE GAS

Greely	Wichita	Scott	Lane
Hamilton	Kearny	Finney	Hodgeman
Stanton	Grant	Harrell	Gray
Morton	Stevens	Seward	Meade



0 500 1,000 Feet

CREATED: APRIL 16, 2024

PANTERA ENERGY COMPANY
MCHARGUE 'A' 2
 15-175-20526
 T33S, R34W, SEC 2 NE SW
 SEWARD COUNTY, KANSAS

North American Datum 1927
 This map has been carefully prepared from official records, maps,
 and GIS data. We make no warranties as to its completeness or
 accuracy, whether expressed or implied.



**BEFORE THE STATE CORPORATION
COMMISSION OF THE STATE OF KANSAS
NOTICE OF FILING APPLICATION**

RE: Pantera Energy Company - - Application for an exception to the 10-year time limitation of K.A.R. 82-3-111 for the McHargue A 2, located in Seward County, Kansas.

TO: All Oil & Gas Producers, Unleased Mineral Interest Owners, Landowners, and all persons whomever concerned. You, and each of you, are hereby notified that Pantera Energy Company has filed an application for an exception to the 10-year time limitation of K.A.R. 82-3-111 for the McHargue A 2 well located in the SW/4 of Section 2-33S-34W, Seward County, Kansas.

Any persons who object to or protest this application shall be required to file their objections or protest with the Conservation Division of the State Corporation Commission of the State of Kansas within fifteen (15) days from the date of this publication. These protests shall be filed pursuant to Commission regulations and must state specific reasons why the grant of the application may cause waste, violate correlative rights or pollute the natural resources of the State of Kansas.

All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.

Pantera Energy Company
817 S Polk St, Suite 201
Amarillo, TX 79101
806-376-6625