

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

Before Commissioners:      Mark Sievers, Chairman  
                                    Ward Loyd  
                                    Thomas E. Wright

In the matter of the application of the GHK      ) Docket No. 12-CONS-242-CHOR  
Company, LLC, for authority to drill a well      )  
horizontally into the Cherokee formation      ) CONSERVATION DIVISION  
pursuant to K.A.R. 82-3-103a for the Winholz    )  
#1-24H well in Section 24, Township 13 South,    )  
Range 22 West, in Trego County, Kansas.      ) License No. 34702

**ORDER GRANTING AMENDED APPLICATION**

Now, the above matter comes before the State Corporation Commission of the State of Kansas ("KCC" or "Commission") on the amended application of GHK Company, LLC ("Applicant"). The Commission, after reviewing its files and records and being fully advised in the premises, finds and concludes as follows:

1.      Applicant filed an application on March 29, 2012, seeking an Order permitting the drilling of a horizontal wellbore pursuant to K.A.R. 82-3-103a.
2.      Applicant filed an amended application on April 4, 2012.
3.      On April 5, 2012, an Affidavit of Mailing was filed, certifying that a copy of the amended application was sent to the parties listed therein.
4.      Notice of the application was timely and properly published in *The Wichita Eagle* and *The Western Kansas World* newspapers stating that the application would be granted by the Commission if no protests were received within 15 days. No protests were filed.
5.      The Winholz #1-24H ("subject well"), will be completed in the Cherokee formation. The surface location of the subject well will be as follows.

1200 feet from the South line and 185 feet from the East line of Section 24, Township 13 South, Range 22 West, Trego County, Kansas.

6. The horizontal wellbore will proceed to an approximate bottom hole location as follows.

330 feet from the South line and 330 feet from the West line of Section 24, Township 13 South, Range 22 West, Trego County, Kansas.

7. The following acreage will be attributed to the well.

All of Section 24, Township 13 South, Range 22 West, Trego County, Kansas, except for a tract described in Paragraph 3 of the amended application. The amended application states that approximately 638.96 acres remain after subtracting the tract. The path of the intended horizontal wellbore appears to be at least 330 feet from the excluded acreage at all times.

8. The Commission finds that granting the amended application for a horizontal wellbore will prevent waste and will not adversely affect any party's correlative rights. Therefore, the amended application for a horizontal wellbore should be granted, and a full allowable should be assigned to the well.

**THEREFORE, THE COMMISSION ORDERS THAT:**

A. The amended application for an Order permitting the drilling of a horizontal wellbore pursuant to K.A.R. 82-3-103a in the Cherokee formation in Trego County, Kansas, is granted, and the subject well will be assigned a full allowable.

B. Applicant shall provide directional surveys to ensure compliance with the Commission's general rules and regulations governing the distance between the well and the nearest lease or unit boundary.

C. Applicant shall ensure that the drilling rig for the subject well is equipped with a gas blowout preventer.

D. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). Such petition shall be filed within 15 days after service of this Order and must state the specific grounds upon which relief is requested. This petition for reconsideration shall be filed with the Executive Director of the Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, Kansas 67202-3802.

E. The Commission retains jurisdiction of the subject matter and the parties. The Commission may enter additional orders as it deems appropriate, and additional orders may include the imposition of additional requirements or monetary penalties.

**BY THE COMMISSION IT IS SO ORDERED.**

Sievers, Chmn.; Loyd, Com.; Wright, Com.

Date: MAY 07 2012

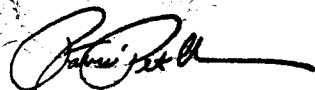
  
\_\_\_\_\_  
Patrice Petersen-Klein  
Executive Director

Date Mailed: 05-07-2012

LRP

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

MAY 07 2012



**CERTIFICATE OF SERVICE**

I certify that on 05-07-2012, 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:

Jeff Kennedy  
Martin, Pringle, Oliver, Wallace & Bauer, LLP  
100 N. Broadway, Ste. 500  
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Attorneys for GHK Company, LLC

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And delivered by hand to:

Jim Hemmen, Production Department  
Conservation Division Central Office

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