

6. Notice was proper in every respect and was published as prescribed by the Commission's rules and regulations. Notice of the amended application was furnished to all interested parties at least 15 days before the granting of the amended application, and notice was properly published in *The Wichita Eagle* and *The Dighton Herald* newspapers stating that the amended application would be granted by the Commission if no protests were received within 15 days. There were no protests.

7. Applicant is also the operator for the offset lease, and Applicant provided notice of this application to the royalty owners in the offset lease. The royalty owners for the offset lease have consented in writing to the exception, and the consent letter was submitted with the amended application.

8. The subject well will be located as follows:

442 feet from the North line and 22 feet from the East line of Section 13, Township 16 South, Range 30 West, Lane County, Kansas.

9. According to K.A.R. 82-3-207, an oil well shall not be drilled closer than 330 feet from any lease or unit boundary, and a standard drilling unit shall be 10 acres. According to K.A.R. 82-3-312, a gas well shall not be drilled closer than 330 feet from any lease or unit boundary, and a standard drilling unit shall be 10 acres. Exceptions to each regulation may be granted pursuant to K.A.R. 82-3-108 to prevent waste or protect correlative rights.

10. The amended application states that the proposed subject well will be located 22 feet from the nearest lease or unit boundary, which is nearer than the setback requirement.

11. The amended application states that the location exception is appropriate because Applicant's geophysical and geological consultants have evaluated the Mississippian System across the leasehold and determined that the proposed location of the subject well is the optimal

location to allow the best recovery of hydrocarbon reserves. The amended application further states that production from the subject well will allow for the recovery of significant additional hydrocarbon reserves that otherwise would not be recovered by the existing well on the Roemer Trust lease. The amended application states that the well location was changed from the location in the original application due to surface obstructions that could impact drilling operations.

12. The acreage to be attributed to the well includes the following:

10 acres surrounding the well in Section 13, Township 16 South,
Range 30 West, Lane County, Kansas.

13. The Commission finds that an exception to the well location restrictions under K.A.R. 82-3-108 should be granted to prevent waste and protect correlative rights, and that the well should be assigned a full allowable.

14. The amended application should be granted in accordance with the above findings.

THEREFORE, THE COMMISSION ORDERS THAT:

A. The amended application for a well location exception for the subject well is hereby granted, 10 acres immediately surrounding the well are attributed to the well, and a full allowable is assigned to the well.

B. 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 and must state the specific grounds upon which relief is requested. If service of this Order is by mail, three days will be added to the deadline. The petition shall be filed with the Executive Director of the Conservation Division, Finney State Office Building, 130 South Market, Room 2078, Wichita, KS 67202-3802.

C. 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.

Dated: JUL 23 2012



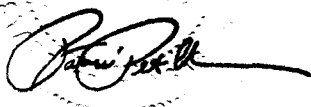
Patrice Petersen-Klein
Executive Director

Date Mailed: 7-23-2012

LRP

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

JUL 23 2012



CERTIFICATE OF SERVICE

I certify that on 7-23-2012, 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:

Jonathan A. Schlatter
Morris Laing Evans Brock & Kennedy
300 N. Mead, Suite 200
Wichita, Kansas 67202
Attorneys for Wilton Petroleum, Inc.

Richard Lacey
KCC District #1
210 E. Frontview, Suite A
Dodge City, Kansas 67801

And delivered by hand to:

Jim Hemmen, KCC Production Department Staff
Conservation Division Central Office

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