

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

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

In the matter of the application of Palomino)	Docket No. 18-CONS-3225-CEXC
Petroleum Inc. for an order granting an)	
exception to the requirements of K.A.R. § 82-)	CONSERVATION DIVISION
3-107 relating to the Wing-Dvorachek well #1)	
drilled in Logan County, Kansas.)	License No. 30742

ORDER GRANTING APPLICATION

The Commission grants the November 15, 2017, application of Palomino Petroleum, Inc. (“Operator”) for an exception to K.A.R. 82-3-107(e) for the following reasons:

I. JURISDICTION

1. K.S.A. 74-623 provides that the Commission has the exclusive jurisdiction and authority to regulate oil and gas activities, with licensing authority under K.S.A. 55-155.
2. K.A.R. 82-3-107(d)(1) provides that within 120 days of the spud date or date of commencement of recompletion of a well, operators shall deliver a copy of the affidavit of completion, core analyses, final drill stem data elements, recorded drill stem fluid recoveries and charts, final electric logs, final radioactivity logs, similar wireline log or surveys run by operators on all boreholes, excluding seismic shot holes, final logs run to obtain geophysical data, geological well reports, and if available, final electronic log files in a data format and medium approved by the director. The Commission requires this data to be provided using a Well Completion Report (“ACO-1”) Form.
3. K.A.R. 82-3-107(e)(1) provides if a written request is made to the conservation division within 120 days of the spud date or date of commencement of recompletion of the well,

all information, samples, or cores filed as required in subsections (c) or (d) shall be held in confidential custody for an initial period of one year from the written request.

4. K.A.R. 82-3-107(e)(2) provides all rights to confidentiality shall be lost if the filings are not timely, as provided in subsections (c) and (d), or if the request for confidentiality is not timely, as provided in paragraph (e)(1).

5. K.A.R. 82-3-107(e)(4) provides that confidentiality may be extended by an additional year, for a total of two years.

6. K.A.R. 82-3-100 provides that the Commission may grant an exception to any regulation after application and notice.

II. FINDINGS OF FACT

7. Operator is currently licensed to conduct oil and gas activities in Kansas under K.S.A. 55-155.

8. Operator requests an exception to K.A.R. 82-3-107(e) for the Wing-Dvoracheck #1 (“the subject well”), API #15-109-21507-00-00, located in Section 26, Township 15 South, Range 36 West, Logan County, Kansas.

9. The subject well was spudded June 10, 2017. Accordingly, under K.A.R. 82-3-107, the 120-day time period for filing the ACO-1 form with the appropriate data and requesting confidentiality expired on October 9, 2017.¹

10. Operator filed the ACO-1 form for the subject well on or about November 3, 2017, requesting confidentiality under K.A.R. 82-3-107(e)(1).²

¹ The 120-day period would have ordinarily elapsed on October 8, 2017, but that date fell on a Sunday. So under K.A.R. 82-1-217, the deadline was effectively Monday, October 9, 2017.

² Operator initially submitted its ACO-1 on November 3, 2017, but it was returned to Operator as incomplete and was not adequately resubmitted until November 21, 2017. Whether the submission date is considered November 3, 2017, or November 21, 2017, however, is immaterial; either date is outside the allowed 120-day period.

11. Operator's request was made beyond the regulatory deadline,³ requiring Operator to file for an exception if it wished to have confidentiality granted.

12. Operator has verified that notice was properly served and published, as required under K.A.R. 82-3-135a, at least 15 days before the issuance of this Order.

13. No protest was filed under K.A.R. 82-3-135b.

III. CONCLUSIONS OF LAW

14. The Commission has jurisdiction over Operator and this matter.

15. Operator's application was filed in accordance with the rules and regulations of the Commission and Kansas statutes. Notice was properly served and published.

16. Based on the available facts, the Commission finds Operator's application for an exception to the requirements of K.A.R. 82-3-107(e) should be granted.

THEREFORE, THE COMMISSION ORDERS:

A. Operator's application for an exception to the requirements of K.A.R. 82-3-107(e) is granted. Confidentiality is granted until October 9, 2019.⁴

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. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita, Kansas 67202. Pursuant to K.S.A. 55-606 and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action permitted by this summary

³ Operator reports this to be the result of an inadvertent mistake. *See* Application, ¶7.

⁴ While Operator's application does not request a specific end-date to the requested confidentiality, the October 9, 2019, date provides the longest period of confidentiality allowed under K.A.R. 82-3-107(e) if Operator had timely made its request.

proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Date: 03/15/2018



Lynn M. Retz
Secretary to the Commission

Date Mailed: 03/16/2018

JRM

CERTIFICATE OF SERVICE

18-CONS-3225-CEXC

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail/hand-delivered on 03/16/2018.

John G. Pike
Withers, Gough, Pike & Pfaff, LLC
200 W. Douglas, Suite 1010
Wichita, KS 67202
Attorneys for Palomino Petroleum, Inc.

Klee Robert Watchous
Palomino Petroleum, Inc.
4924 SE 84th Street
Newton, KS 67114-8827

and delivered by e-mail to:

Jonathan R. Myers, Litigation Counsel
KCC Central Office

Karen Ritter
KCC Central Office

Rene Stucky
KCC Central Office

/s/ DeeAnn Shupe
DeeAnn Shupe