

JUN 10 2013

LEGAL SECTION

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

Before Commissioners: Mark Sievers, Chairman  
Thomas E. Wright, Commissioner  
Shari Feist Albrecht, Commissioner

In the matter of the Application of	)	Docket No. 13-CONS - <u>465</u> -CEXC
Belport Oil, Inc. for an exception to the	)	
10-year time limitation of K.A.R.	)	
82-3-111 for its Oscar West #202,	)	CONSERVATION DIVISION
#204, #403, #406 & #407 wells	)	
located in the SW/4 of Section 15	)	
and the NW/4 of Section 22	)	License No. 33809
Township 22 South, Range 14 West,	)	
Stafford County, Kansas	)	

**APPLICATION**

COMES NOW Belport Oil, Inc. ("Operator") in support of its Application in the captioned matter and states as follows:

1. Operator is a Colorado corporation authorized to do business in the State of Kansas. Applicant's primary address is 1443 South Norfolk Avenue, Tulsa, OK 74120, and its registered agent for service within the State of Kansas is InCorp Services, Inc., with an address of 3900 SW 40<sup>th</sup> Terrace, Topeka, Kansas 66610.

2. Operator operates oil and gas wells in the State of Kansas as Kansas Operator #33809, having been licensed to do so by the Kansas Corporation Commission under a license which renews June 30, 2013.

3. Operator is the owner and operator of the following wells ("Subject Wells"):

**Oscar West #403**

API #: 15-185-12881-00-00

Se Se Nw Section 22 – 22s – 14w

STAFFORD COUNTY, Kansas

**Oscar West #406**

API #: 15-185-12884-00-00

Ne Se Nw Section 22 – 22s – 14w

STAFFORD COUNTY, Kansas

**Oscar West #407**

API #: 15-185-12885-00-00

Nw Nw Nw Section 22 – 22s – 14w

STAFFORD COUNTY, Kansas

**Oscar West #204**

API #: 15-185-12875-00-00

Sw Sw Sw Section 15 – 22s – 14w

STAFFORD COUNTY, Kansas

**Oscar West #202**

API #: 15-185-12874-00-01

Ne Sw Sw Section 15 – 22s – 14w

STAFFORD COUNTY, Kansas

All of the above wells are located on an active oil and gas waterflood unit comprising the following lands:

SW/4 of Section 15, SE/4 of Section 16, NE/4 of Section 21, and ALL of Section 22 except for and excluding the S/2 SE/4 of Section 22, all said sections located within Township 22 South, Range 14 West, Stafford County, Kansas, and containing 640 acres, more or less (“leased premises”).

4. Pursuant to K.A.R. 82-3-111, Operator has obtained temporary abandonment status annually for all five Subject Wells for many years. Docket No. 10- CONS-066-CEXC granted Operator a three (3) year extension of the ten (10) year limitation for each of the Subject Wells, and pursuant to the terms of said Order, Operator performed Mechanical Integrity Tests (“MITS”) and submitted KCC Form CP-111 for each well annually.

5. On April 26, 2013, the Kansas Corporation Commission notified Operator that the three (3) year exception to the ten (10) year limitation will expire as to the Subject Wells on June 21, 2013.

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. Operator seeks such an exception for the second time, the first such extension having been granted to the Subject Wells by the Kansas Corporation Commission in June, 2010: Docket No. 10-CONS-066-CEXC.

7. Static Fluid levels and mechanical integrity tests have been conducted on each of the Subject Wells as summarized below:

**Oscar West #403:**

Static Fluid Level: 1,949' @ 4/23/10

1,790' @ 6/3/11

1,878' @ 4/4/12

1,985' @ 11/7/12

Successful MIT: 12/3/09

**Oscar West #406:**

Static Fluid Level: 2,871' @ 4/23/10

2,569' @ 6/3/11

2,676' @ 4/4/12

Successful MIT: 11/25/09

**Oscar West #407:**

Static Fluid Level: 2,304' @ 4/23/10

2,436' @ 11/7/12

Successful MIT: 9/3/08 & 11/20/09

**Oscar West #202:**

Static Fluid Level: 762' @ 4/23/10

509' @ 11/7/12

Successful MIT: 4/14/10 & 5/15/12

**Oscar West #204:**

Static Fluid Level: 2,357' @ 11/7/12

Well Plugged from T.D. to approximately 1,700'

- CIBP @ 3,535' with bailer of cement immediately above;
- 200 sacks 60/40 POZ through squeeze perforations @ 2,205'
- 35 sacks common spotted inside 5-1/2" casing @ 2,040', immediately above 200 sack plug

As soon as Operator's pulling unit finishes a workover on another oil & gas lease located five (5) miles west of the Oscar West Waterflood Unit, Operator will conduct Mechanical Integrity Tests on each of the five Subject Wells.

8. Operator estimates that more than 100,000 barrels of crude oil are recoverable from the reservoir subject to the earlier described lease. In order to prevent waste and protect correlative rights, Operator will continue to develop a comprehensive development plan to supplement the 3-D Seismic work conducted by Operator and

others across Operator's Oscar West Waterflood Unit and adjacent lands in 2010 & 2011.

9. Operator's Oscar West Waterflood currently produces 15 – 18 barrels of oil per day ("BOPD") from 6 active producers and 6 active injection wells, but Operator expects to increase this production to more than 40 BOPD by reconfiguring the Unit's injection pattern. This will be accomplished by putting some of the Subject Wells back on pump and converting the others to injection wells. Historically, at higher injection pressures (600 – 700 psig), the Unit produces 30 – 40 BOPD. Current injection pressures of 200 psig only yield 15 – 18 BOPD.

During the three-year exception period that expires on June 21, 2013, Operator and others shot and processed 3-D Seismic across Operator's Oscar West Waterflood and adjacent lands. Operator is incorporating the results of that seismic data with subsurface data to complete a comprehensive re-development plan for the Unit. Operator intends to activate all of the Subject Wells during the next eighteen (18) months, and currently is selling many of its other leases to finance the implementation of the Oscar West's development plan. Operator estimates that it will cost approximately \$200,000 - \$250,000 to re-equip and reactivate all of the Subject Wells, which is significantly more than the estimated \$50,000 required to plug those wells. Except for the Oscar West #204 which has been plugged up to a depth of 1,700', all of the remaining Subject Wells will require approximately 3,650' of tubing. Those wells to be converted to injection also will require a downhole packer, and those that will be reactivated as producers will require approximately 3,650' of rods, a downhole pump, new electric service and a functional pumping unit with motor.

The #204 either will be plugged to surface or drilled out to TD and put back on pump or converted to injection.

10. Operator has attached as Exhibit B 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 Wells.

11. Based on the foregoing, Operator requests that the Commission grant a second exception to the 10-year limitation, specifically to allow the Subject Wells to remain eligible for temporary abandonment status for the three (3) years following the June 21, 2013 expiration of Operator's current exception as to the Subject Wells, said additional exception to be subject to yearly renewal with the appropriate Conservation Division District, but without further need to re-apply for a new exception each of the three (3) years prayed for in this application to the Commission.

12. Listed on 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 any of the Subject Wells; 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 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 in the Wichita Eagle on Tuesday June 11, 2013 and in the St John News on Wednesday, June 12, 2013 pursuant to K.A.R. 82-3-135a. Proof of both publications will be mailed to the Commission on

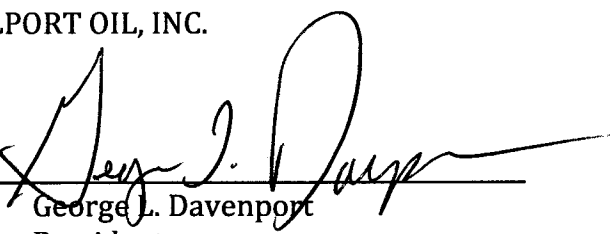
Tuesday, June 18, 2013. In addition, notice of the hearing to be held in this matter will be provided as prescribed by K.A.R. 82-3-135.

WHEREFORE, Operator prays that this matter be set for hearing, and upon hearing, that the Commission grant Operator's request for a second exception to the 10-year limitation during which wells may be temporarily abandoned pursuant to K.A.R. 82-3-111 so as to allow the Subject Wells to remain temporarily abandoned for three (3) years following the June 21, 2013 expiration of the Subject Well's current three-year exception, subject to successful MITs of each of the Subject Wells in July, 2013 and subsequent yearly renewal with the appropriate Conservation Division District, but without further need to re-apply for a new exception each of the three (3) years prayed for in this application.

Respectfully Submitted,

BELPORT OIL, INC.

By:

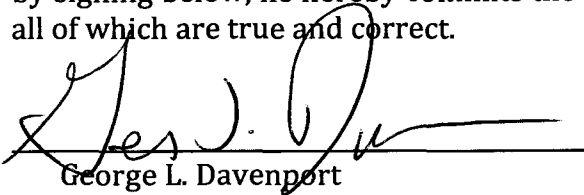
  
George L. Davenport  
President

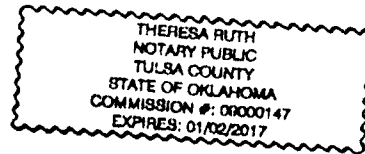
1443 South Norfolk Avenue  
Tulsa, Oklahoma 74120  
work: (918) 584-8989 x1  
fax: (918) 584-8996  
cell: (918) 637-5476

ACKNOWLEDGEMENT


STATE OF OKLAHOMA     )  
                                      ) ss:  
COUNTY OF TULSA        )

George L. Davenport, of lawful age, being first duly sworn, upon oath states that he is the President of the Operator and that he has the authority to file this application on behalf of the Operator and that he has read and understands the application, and that, by signing below, he hereby commits the Operator to all statements set forth therein, all of which are true and correct.

  
George L. Davenport  
President  
Belport Oil, Inc.



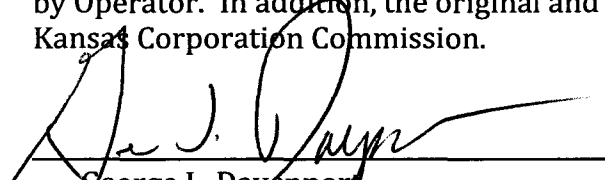
Subscribed and sworn to before me this 7<sup>th</sup> day of June, 2013.

  
Theresa Ruth, Notary Public

My appointment expires 1/2/17

CERTIFICATE OF SERVICE

I hereby certify on this 7<sup>th</sup> day of June, 2013, 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 landowners set forth in paragraph 12 of said Application and to each party set forth in Exhibit "A" attached to said Application filed by Operator. In addition, the original and seven (7) copies were hand delivered to the Kansas Corporation Commission.

  
George L. Davenport  
President  
Belport Oil, Inc.

**Exhibit A**  
**to that certain**  
**APPLICATION re Three-Year Exception to Ten-Year TA Limit**  
**KCC Conservation Division Docket 13-CONS-\_\_\_\_-CEXC**  
**Unleased Mineral Owners within one-half mile of Subject Wells**

**Section 15 - 22S - 14W unleased Mineral Owners within one-half mile of Subject Wells:**

ILS, LLC  
P.O. Box 1506  
Great Bend, Kansas 60530

Jill M. Eliason  
11002 West 126th Terrace  
Shawnee Mission, KS 66213

**Section 21 - 22S - 14W unleased Mineral Owners within one-half mile of Subject Wells:**

Lynn Krampe  
5957 West Ridge Road  
Great Bend, Kansas 60530









**Section 22 - 22S - 14W unleased Mineral Owners within one-half mile of Subject Wells:**

Violet Morton  
1216 Roosevelt  
Great Bend, Kansas 60530

## Exhibit B — LEASE PLAT

to that certain APPLICATION  
presented to  
The Kansas Corporation Commission  
regarding  
Belport Oil, Inc's  
Oscar West-Lansing Kansas City Unit

Sections 15, 16, 21 & 22  
Township 22S, Range 14W  
Stafford County, Kansas

-  Dry Hole
-  Active Oil Well
-  Temporarily Abandoned Wellbore
-  Plugged & Abandoned Producer
-  "Agressively Squeezed" TA Well:  
CIBP set above perms, 2 sxs dumped on CIBP,  
casing leak squeezed; cement left inside casing
-  Active Injection Well
-  Temporarily Abandoned Injection Well
-  Plugged & Abandoned Injection Well

| << — 1,320' — >> |

