

OCT 30 2014  
LEGAL SECTION

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 Casillas	)	Docket No. 15-CONS- <u>398</u> -CEXC
Petroleum Corp. for an exception to the 10-	)	
Year time limitation of K.A.R. 82-3-111 for	)	
Its Reimer A-2 well located in the SE/4 of	)	CONSERVATION DIVISION
Section 35, Township 28 South, Range 34	)	
West, Haskell County, Kansas	)	License No.: 34997
_____	)	

APPLICATION

COMES NOW Casillas Petroleum ("Applicant") in support of its Application in the captioned matter and states as follows:

1. Applicant is an Oklahoma Corporation authorized to do business in the State of Kansas. Applicant's address is 401 S. Boston Ave., Suite 2400, Tulsa, OK 74103
2. Applicant has been issued by the Kansas Corporation Commission operator's license 34997, which expires on 11/30/2014.
3. Applicant is the owner and operator of the Reimer A-2 well, 15-081-10012-0001, ("the subject well"), which is located in the Southwest quarter of the Southeast quarter of Section 35, Township 28 South, Range 34 West, Haskell County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands:

e.g., All of Section 35, Township 28 South, Range 34 West, Haskell  
County, Kansas containing 80 acres, more or less ("leased premises").

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 01/33/2004. The subject well has maintained such status from 01/31/2004, to the present date.

5. On or about 09/11/2014, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after 09/11/2014, because subject well had been temporarily abandoned for more than ten (10) years.

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. Applicant seeks such an exception.

7. On 10-20-2014, the subject well passed 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.

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

a. This well has additional zone capable of producing oil and gas.

9. Applicant submits the following information regarding the well in support of the Application.

a. 3 shallow gas wells, 3 TA'd wells, 3 P&A wells

b. Cost to plug is \$12,000 per shallow gas well and \$25,000 for deeper oil wells. This well would cost \$25,000 and the other would total \$86,000.

c. 275 mcf/d & 18 bwpd

d. Remaining reserves could be 6,000bbls of oil based off of offset wells to the west.

e. Testing the behind pipe intervals has not yet been initiated. Will need to perforate and possibly stimulate untested formations.

f. Estimated cost to recomplete would be \$65,000.

10. Applicant has included 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 well.

11. 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.

12. 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).

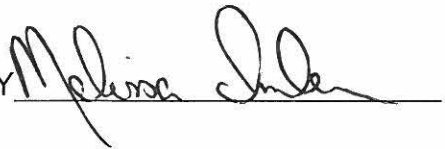
13. Notice of this Application will be published pursuant to K.A.R. 82-3-135a.

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,

Melissa Imler  
348 RD. DD  
Satanta, KS 67870  
620-276-3693 ext. 14  
620-276-8963 Fax

BY 

### CERTIFICATE OF SERVICE

I hereby certify on this 27<sup>th</sup> day of October, (2014), 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 the landowner/s set forth in paragraph 14 of said Application and each party set forth in Exhibit "A" attached to said Application filed by Applicant, and the original and seven (7) copies were hand delivered to the Kansas Corporation Commission .

  
Melissa Imler

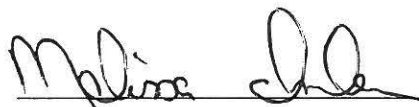


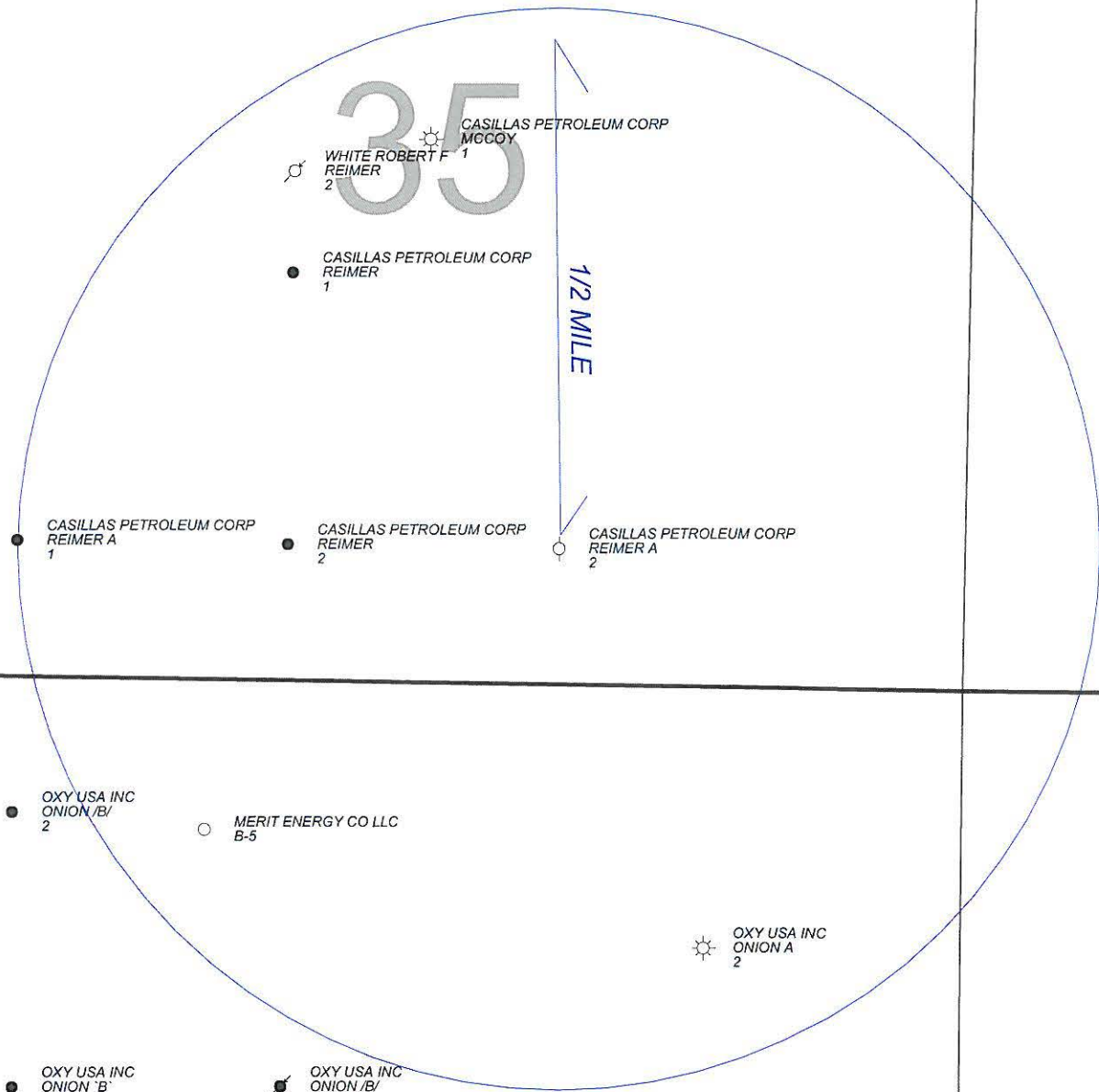
### CERTIFICATE OF SERVICE

I hereby certify on this 27 day of October, 2014, true and correct copies of the above and foregoing Application for the Commingling of production were served by depositing copies of the same in the United States Mail, postage prepaid, on the 27<sup>th</sup> day of October, 2014 addressed to the following persons or entities:

Merit Energy Company  
13727 Noel Rd STE 500  
Dallas, TX 75240

Who are all of the operators of leases, owners of record of the minerals in unleased acreage, and surface owner within a one-half mile radius of the Reimer A-2.

  
\_\_\_\_\_  
Melissa Imler



PETRA 10/20/2014 11:46:57 AM



Casillas Petroleum Corp.

REIMER A-2



POSTED WELL DATA

Operator  
Well Name  
Well Number

October 20, 2014