

MAY 24 2019

CONSERVATION DIVISION  
WICHITA, KS

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION OF )	
BLUERIDGE PETROLEUM CORPORATION )	DOCKET NO. <u>19 CONS 3394 CEXC</u>
FOR AN EXTENSION TO THE PIT CLOSURE )	
TIME REQUIREMENT OF K.A.R. 82-3-602 FOR )	LICENSE NO. 31930
THE OLSON #1-9 WELL LOCATED IN THE )	
SE/4 OF SECTION 9-T14S-R8E MORRIS )	CONSERVATION DIVISION
COUNTY, KANSAS )	

**APPLICATION**

COMES NOW BlueRidge Petroleum Corporation, ("Operator") in support of its application in the captioned matter states as follows:

1. Operator is a Colorado corporation licensed to do business in the State of Kansas. Applicant's mailing address is P.O. Box 30545, Edmond, Oklahoma 73003.

2. Operator has been issued license no. 31930 by the Commission, which license expires on September 30, 2019.

3. Operator is the owner and operator of the Olson #1-9 well, API #15-127-20598-0000, in the SE/4 of Section 9-T14S-R8E, Morris County, Kansas. Said well was completed as a dry hole in October of 2017.

4. Pursuant to K.A.R. 82-3-60la, Operator constructed temporary reserve and working pits in order to contain the drilling fluids associated with the drilling of the Olson #1-9 wellbore. The pits were constructed in October of 2017. This well was plugged and abandoned on October 8, 2017.

5. On September 18, 2017 the KCC approved a Notice of Intent to Drill covering the drilling of the Olson #1-9.

6. The Olson #1-9, API #15-127-20598-0000, was spud on October 2, 2017 and was plugged as a dry hole on October 8, 2017.

7. On October 12, 2018 the Operator contacted the Commission and requested an extension to the pit closure deadline. On October 12, 2018, the Commission notified the Operator that the request for the extension had been approved, and the new deadline for closing the drilling pits was January 12, 2019. On January 24, 2019, the Operator contacted the Commission and requested an additional extension to the pit closure deadline. On January 28, 2019, the Commission notified the Operator that the request for the extension had been approved, and that the new deadline for closing the drilling pits was April 2, 2019. On May 15,

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2019, the Commission notified the Operator that an extension of time to close the subject pits was unavailable, and that any exception to K.A.R. 82-3-602 must be applied for via formal application with notice published under K.A.R. 82-3-100.

8. K.A.R. 82-3-602(a)-1 sets a 365-day limit to close all pits associated with the drilling of a new wellbore. K.A.R. 82-3-602(a)-2 allows for any extension of the pit closure by written request and approval of the director.

9. Operator requests this application be approved for the following reasons: a) It is accepted best practice by industry and landowners alike not to close any open earthen pit until they have thoroughly dried out. Closing pits prior to thoroughly drying commonly results in future issues, such as collapse and erosion. The Olson #1-9 pits are not dry as of the date of this application; b) the precipitation levels in this portion of Kansas have been extraordinarily high in 2018 and 2019, not allowing the subject pits to be filled, despite efforts to facilitate drying by the Operator, such as removing free fluids from the pits. Granting a nine-month extension to the deadline to fill the subject pits will likely allow the pits to dry and be filled during the fall of 2019, when the warm and dry conditions are most conducive to drying.

10. Operator has contacted the landowner of the grounds in question and he is in support of Operators application seeking an extension. The landowner does not wish to see the pits backfilled at this time due to its current wet condition. The Landowner has signed an affidavit to this effect with said affidavit being attached to this application as Exhibit "A".

11. Based on the foregoing, Operator requests that the Commission grant an exception to the 365-day deadline and subsequent 180-day extension of K.A.R. 82-3-602, to allow the subject pits to remain open and properly dry before being filled. Operator requests this extension be for 270 days.

12. There exists no other oil and gas operators within a one-half mile radius of the subject wellbore.

13. There are four un-leased mineral and surface owners within a one-half mile radius of the subject wellbore:

Hazel Zimmerman  
Everett Zimmerman Trust  
1128 D Avenue  
Alta Vista, KS 66834

Keith & Donna Olson  
278 S. 1000 Road  
Alta Vista, KS 66834

Tamra L. & Charles M. Lillich  
223 S. 1000 Road  
Alta Vista, KS 66834

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Don & Alice Johnston  
Dowell Heirs Farm, LLC  
3701 Quail Creek Court  
Lawrence, KS 66047

The attached Exhibit "B" is a plat showing the pits location and grounds, mineral owners, mineral lessees, and surface owners within a one-half mile radius.

14. Notice of this application and any required hearing will be published pursuant to K.A.R. 82-3-135a and K.A.R. 82-3-135.

WHEREFORE, Operator kindly requests that this matter be granted administratively without a hearing, or in the alternative be set for hearing, and upon hearing that the Commission grant Operator's request for a 270-day extension to the pit closure requirement set forth in K.A.R. 82-3-602.

Respectfully Submitted,



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Jonathan Allen, President

BlueRidge Petroleum Corporation  
P.O. Box 30545  
Edmond, OK 73003  
(580) 242-3732

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Exhibit "A"

**AFFIDAVIT FOR EXTENSION OF PIT CLOSURE**

**Olson #1-9 Well  
Morris County, Kansas**

KEITH H. OLSON, of lawful age, being first duly sworn upon his oath, deposes and states that he has personal knowledge of the facts hereinafter set forth and that he is duly authorized to make this affidavit. Affiant states that he is one of the mineral owners and the surface owner under the following described lands, located in Morris County, Kansas (the "Lands"):

Township 14 South, Range 8 East  
Section 9: SE/4

The Lands were subject to the following described Oil and Gas Lease, to wit:

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Lessor:	Keith H. Olson and Donna M. Olson, his wife
Lessee:	BlueRidge Petroleum Corporation
Dated:	May 11, 2016
Recorded:	Book 228, Page 28
Description:	<u>Township 14 South, Range 8 East</u> Section 3: SW/4 Section 9: SE/4 Section 10: SW/4

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(the "Lease"), which Lease was extended by BlueRidge Petroleum Corporation ("BRPC"). The Lease has since expired under its own terms.

During the primary term of the Lease, BRPC, as operator, drilled the Olson #1-9, located in the SE/4 NW/4 NW/4 SE/4 of Section 9-T14S-R8E, Morris County, Kansas, API #15-127-20598-00-00, (the "Well"), with drilling beginning on October 2, 2017. The well was plugged and abandoned on October 8, 2017. Affiant is aware that the Kansas Corporation Commission ("KCC") imposes certain requirements on Kansas operators, subsequent to the plugging of a well. Those requirements, Affiant understands, include, amongst others, the timely closure of all surface pits used during the drilling of a well within 365 days (with a 180-day extension option).

Affiant has been informed that the deadline imposed by the KCC to BRPC to close the surface pit was April 2, 2019. However, due to the abnormal amount of moisture in 2018, and during the first quarter of 2019, BRPC has determined that the surface pit remains too wet to properly close. Affiant is personally aware that BRPC, as Lessee and, as operator, has complied with the terms and provisions of the Lease and has conducted its drilling operations upon the Lands in a prudent and workmanlike manner, with the interests of all parties in mind.

BRPC desires, and Affiant agrees, that in their best judgements, it is best to delay the pit closure until the pit is thoroughly dry. Affiant understands that premature closure of the pit could require additional expenditures and could potentially have a negative impact on the farming or grazing operations conducted over the improperly closed pit.

Therefore, Affiant hereby requests that the KCC grant BRPC an extension for the closure of the pit for an additional 270 days from April 2, 2019. This extension request is made to ensure that the pit will be properly closed to avoid any future expenses, damage or recession on the Lands.

FURTHER AFFIANT saith not.

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KEITH H. OLSON

By: *Keith H. Olson*  
Keith H. Olson

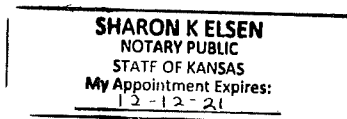
STATE OF KANSAS                    )  
  ) ss.  
COUNTY OF Morris

Acknowledged, Subscribed and Sworn to, this 13<sup>th</sup> day of May, 2019, before me a notary public in and for the county and state aforesaid, by Keith H. Olson, to me known to be the identical person, described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal, the day and year last above written.

*Sharon K Elsen*  
Notary Public

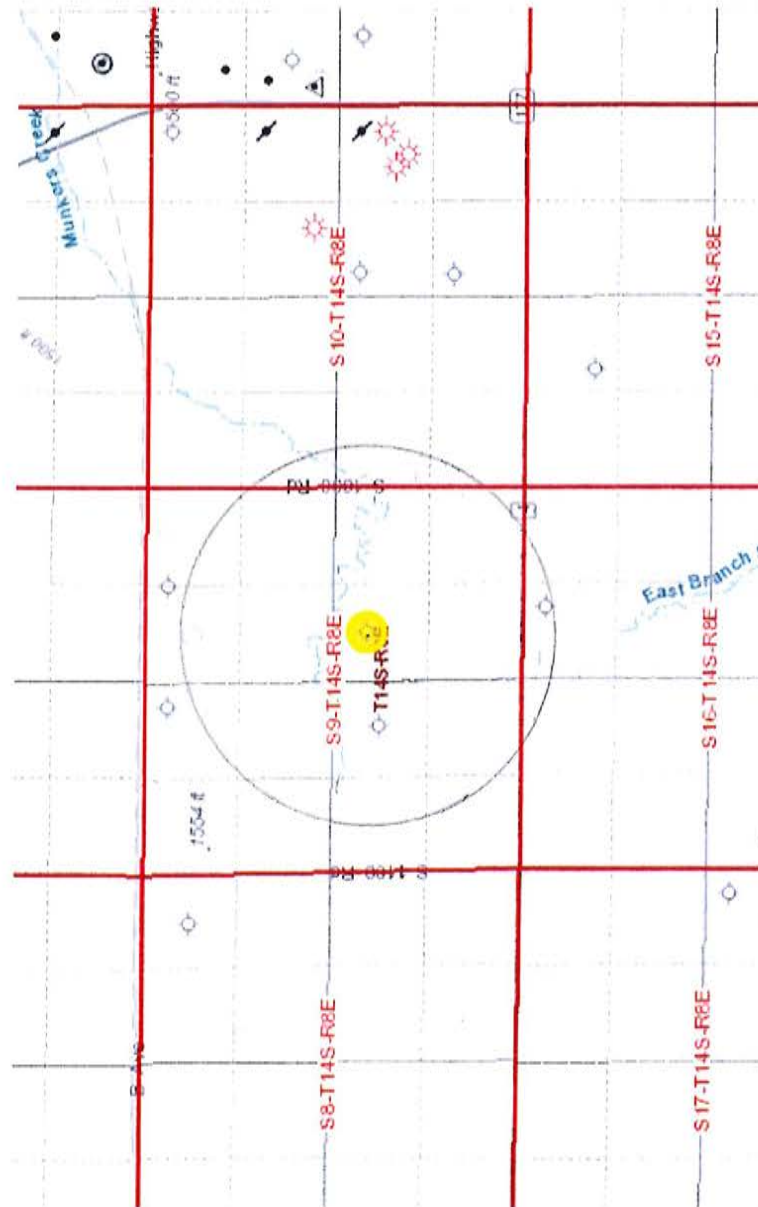
My Appointment Expires: Dec 12, 2021



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Exhibit "B"  
Pit Closure Exception Application  
Olson #1-9



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**CERTIFICATE OF SERVICE**

Operator, Lessee or Unleased Mineral Owner  
within a 1/2 mile radius of the

**BlueRidge Petroleum Corporation  
Olson #1-9  
2173' FSL & 1997' FEL  
Sec. 9-T14S-R8E  
Morris County, Kansas**

BlueRidge Petroleum Corporation is filing with the Kansas Corporation Commission, Oil & Gas Division, an Application for an exception pursuant to K.A.R. 82-3-602, you are hereby notified of such action.

**OFFSET OPERATORS**

**LEGAL DESCRIPTION OF LEASEHOLD**

BlueRidge Petroleum Corporation  
P.O. Box 30545  
Edmond, OK 73003

NE/4 Sec. 9-T14S-R8E  
NE/4 Sec. 16-T14S-R8E

**UNLEASED MINERAL OWNERS**

**LEGAL DESCRIPTION OF LEASEHOLD**

Hazel Zimmerman  
Everett Zimmerman Trust  
1128 D Avenue  
Alta Vista, KS 66834

W/2 Sec. 9-T14S-R8E

Keith & Donna Olson  
278 S. 1000 Road  
Alta Vista, KS 66834

SW/4 Sec. 10-T14S-R8E

Tamra L. & Charles M. Lillich  
223 S. 1000 Road  
Alta Vista, KS 66834

NW/4 Sec. 10-T14S-R8E

Don & Alice Johnston  
Dowell Heirs Farm, LLC  
3701 Quail Creek Court  
Lawrence, KS 66047

NW/4 Sec. 16-T14S-R8E

**LANDOWNER**

**LEGAL DESCRIPTION OF LEASEHOLD**

Keith & Donna Olson  
278 S. 1000 Road  
Alta Vista, KS 66834

SE/4 Sec. 9-T14S-R8E

The undersigned hereby certifies that he is a duly authorized representative and/or agent for the applicant and that on May 22, 2019 notice was mailed or delivered to the above referenced parties.

Received  
KANSAS CORPORATION COMMISSION

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BLUERIDGE PETROLEUM CORPORATION

Signature: \_\_\_\_\_



Jonathan Allen, President

STATE OF OKLAHOMA       )  
  ) ss.  
COUNTY OF OKLAHOMA    )

BE IT REMEMBERED, that on this 22<sup>nd</sup> day of May, 2019, before me a notary public in and for the county and state aforesaid, came Jonathan Allen, President of BLUERIDGE PETROLEUM CORPORATION, a corporation duly organized, incorporated, and existing under and by virtue of the laws of the State of Colorado, who is personally known to me to be such officer who executed, as such officer, the within instrument of writing on behalf of such corporation, and such person duly acknowledged the execution of the same to be the act and deed of such corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal, the day and year last above written.

  
Notary Public

My Appointment Expires: \_\_\_\_\_

