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JUL 2 2 2016

CONSERVATION DIVISION WICHITA, KS

Before Commissioners:

Shari Feist Albrecht Jay Scott Elmer, Chair Pat Apple

In the matter of the Application of American Warrior, Inc. for an exception to the 10-year time limitation of K.A.R. 82-3-111 for it's A.E. Blake 2 well located in the NW/4 of Section 1, Township 33 South, Range 35 West, Stevens County, Kansas. Docket No. 16-CONS-^{30/1}-CEXC

CONSERVATION DIVISION

License No.: 4058

APPLICATION FOR EXCEPTION

THE STATE CORPORATION COMMISSION

OF THE STATE OF KANSAS

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COMES NOW American Warrior, Inc. ("Applicant") in support of its Application in the captioned matter and states as follows:

1. Applicant is a corporation authorized to do business in the State of Kansas.

Applicant's address is P.O. Box 399, Garden City, KS 67846.

2. Applicant has been issued by the Kansas Corporation Commission Operator's

License 4058, which expires on November 30, 2016.

3. Applicant is the owner and operator of the A.E. Blake 2 well (aka Blake AE 2), 15-

189-21154 ("the subject well"), which is located in the Northeast Quarter of the Northwest

Quarter of Section 1, Township 33 South, Range 35 West, Stevens County, Kansas. The subject

well is located on an active oil and gas lease or unit comprising the following lands:

West Half of Section 1, Township 33 South, Range 35 West, Stevens County, Kansas, containing 320 acres, more or less ("leased premises").

4. Pursuant to K.A.R. 82-3-111, the well was shut-in on February 3, 2006. The subject well maintained such status from February 3, 2006 to present.

5. On or about May 24, 2016, the Kansas Corporation Commission notified Applicant that temporary abandonment status would expire June 23, 2016, unless application was made for an exception. Notice of an application for an exception to the 10 Year Temporary Abandonment Limitation was sent to the Executive Director on June 15, 2016. Date for filing of Application was extended to July 23, 2016.

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. Subject Well passed a Mechanical Integrity Test which was witnessed by a KCC staff member on July 21, 2016.

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

Water Flood Injection Well.

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

- a) Water Flood project would include approximately 19 oil wells.
- b) The cost for plugging the subject well would be approximately \$40,000.
- c) It is anticipated to this water flood project could increase the production of the entire project 100-200 barrels of oil per day.
- d) Production estimate is based on previous and current production from the well in the project area.

- e) The subject well will need to have coated tubing and packer installed to convert well to Water Flood well.
- f) Estimated cost of converting subject well to Water Flood Injection Well:
 \$60,000.

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.

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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,

AMERICAN WARRIOR, INC. By: n Jacob B. Price #20386 In-House Counsel P.O. Box 399 Garden City, KS 67846

Phone: (620) 275-2963

Fax: (620) 275-5067

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EXHIBIT A

Names of operators of wells within one-half (1/2) mile of the subject well:

American Warrior, Inc. 3118 Cummings Road Garden City, KS 67846

Linn Operating, Inc. 660 Travis, Suite 5100 Houston, TX 77002

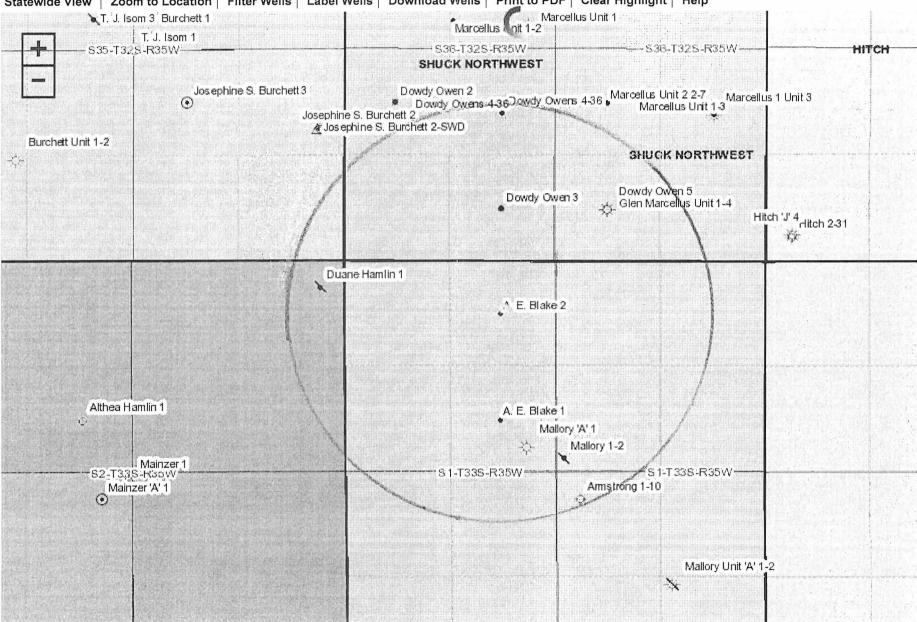
XTO Energy Inc. 810 Houston St., Suite 2000 Ft. Worth, TX 76102-6298

Names of owners of unleased lands within one-half (1/2) mile of subject well:

None.

Kansas Oil and Gas

Kansas Geological Survey



Statewide View Zoom to Location Filter Wells Label Wells Download Wells Print to PDF Clear Highlight Help

http://maps.kgs.ku.edu/oilgas/index.cfm?extenttype=well&extentvalue=1006157995

CERTIFICATE OF SERVICE

I hereby certify on this 21st day of July, 2016, 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 landowner/s set forth in Exhibit A 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 delivered to the Kansas Corporation Commission.

Ahu] Jacob B. Price #20386