2017-08-09 09:19:47 Kansas Corporation Commission /s/ Lynn M. Retz

AUG 0 8 2017

CONSERVATION DIVISION WICHITA, KS

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Shari Feist Albrecht, Chairman

Jay Scott Emler Pat Apple

In the matter of the application of Falcon Exploration, Inc. for an exception to the 10-year time limitation of K.A.R. 82-3-111 for its Brookover #7 well located in the NW SE SE SE Section 22-T13S-R30W, Gove County, Kansas

Docket No. 1-5-CONS- 3082-CEXC CONSERVATION DIVISION

License No.: 5316

COMES NOW Falcon Exploration, Inc. ("Operator") for its application in the captioned matter states as follows:

- 1. Operator is a Corporation authorized to do business in the State of Kansas. Operator's address is 125 N. Market, Suite 1252, Wichita, Kansas 67202.
- 2. Operator has been issued by the Kansas Corporation Commission Operator's License #5316, which expires on June 30, 2018.
- 3. Operator is the owner and operator of the Brookover #7 well, API #15-063-21646, which is located in the Northwest Quarter of the Southeast Quarter of the Southeast Quarter of the Southeast Quarter (NW SE SE SE) Section 22, Township 13 South, Range 30 West, Gove County, Kansas. The subject well is located on an active oil and gas lease comprising the following lands: The Southeast Quarter (SE/4) Section 22, Township 13 South, Range 30 West, containing 160 acres more or less

- 4. Pursuant to K.A.R. 82-3-111, Brookover #7 well was shut in on March 21, 2007. The subject well has maintained such status from March 21, 2007 to the present date.
- 5. 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 regulations through an application filed with the Commission pursuant to K.A.R. 82-3-100. Operator seeks such exception
- 6. The subject well demonstrated mechanical integrity as evidenced by passage of Commission Staff witnessed mechanical integrity test on July 20, 2017.
 - 7. Operator is keeping the subject well as a candidate for a potential salt water disposal well.
 - 8. Operator submits the following information regarding the support of the Application.
 - A. The subject well should not be plugged to prevent economic waste associated with re-drilling for future needs as a saltwater disposal well. Estimated cost to plug this well is \$18,000. The cost to convert this well into salt water disposal well is estimated to be \$70,000-85,000.
 - B. Operator has drilled 69 wells in the Gove, Gove West, Gove NW, Gove SW and R&M fields, of which 33 are producing/ capable of producing oil wells.
 - C. Additional exploration is anticipated in the coming years.
 - D. Production from the producing lease is around 8 BOPD with potential remaining reserves estimated at 34,500 barrels of oil. This estimation is extrapolated based upon current oil decline rate.
- 9. Operator has included a plat map showing the locations of all wells located on the same leased premises as the subject well. There are four (4) active producing wells and the subject well on the lease.

10. Based on the foregoing, Operator 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 the three (3) years following the expiration of the 10-year limitation, 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.

11. 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 the subject well (provided that such mineral interest is not covered by any oil and gas lease).

12. Notice of this application has been 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,

Jason Mitchell

Falcon Exploration, Inc.

125 N. Market, Suite 1252

Wighita, KS 67202

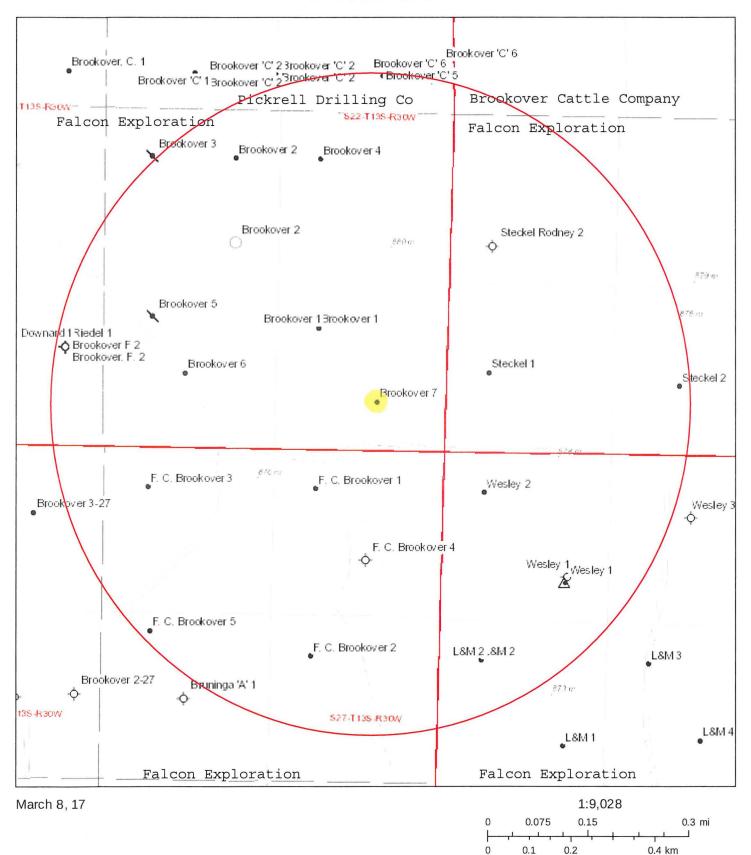
316-262-1378

CERTIFICATE OF SERVICE

I hereby certify on this 9th day of August, 2017, true and correct copies of the attached Notice of Filing Application were served by depositing copies of the same in the United States Mail, postage prepaid, and properly addressed to each of the unleased mineral owner(s) and operator(s) set forth in Exhibit "A" attached to said Application filed by Operator, and the above and foregoing original Application and seven (7) copies were delivered to the Kansas Corporation Commission.

Jason Mitchell

Brookover #7



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community None

EXHIBIT A

BROOKOVER #7 NOTICE AREA

Operator –

Falcon Exploration, Inc. 125 N. Market, Suite 1252 Wichita, KS 67202

Surface &/or Mineral Owners-

Fern Ottley 625 Willow Avenue Oakley,Kansas 67748

Rodney J Steckel P O Box 289 Russell, KS

Brookover Cattle Company 5651 E. Road 190 Scott City, KS 67871

Offset Operator — Pickrell Drilling Co., Inc 100 S Main, Suite 505 Wichita, Kansas 67202