

OCT 08 2018

CONSERVATION DIVISION
WICHITA, KS

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Shari Feist Albrecht, Chair
Jay Scott Emler
Dwight D. Keen

In the matter of the Application of Younger)
Energy Company for an exception to the 10-)
year time limitation of K.A.R. 82-3-111 for its)
Theis #2-29 well located in the NW/4 of)
Section 29, Township 33 South, Range 25)
West, Clark County, Kansas)
_____)

Docket No. ¹⁹18-CONS-³¹⁴²____-CEXC
CONSERVATION DIVISION
License No.: 30705

APPLICATION

COMES NOW Younger Energy Company (“Applicant”) in support of its Application in the captioned matter and states as follows:

1. Applicant is a Kansas Corporation authorized to do business in the State of Kansas. Applicant’s address is 9415 E. Harry St Ste 403, Wichita, KS 67207-5083.
2. Applicant has been issued by the Kansas Corporation Commission Operator’s License 30705, which expires on May 30, 2019.
3. Applicant is the owner and operator of the Theis #2-29 well, API 15-025-21234-00-00 (“the subject well”), which is located in the Southeast Quarter of the Northwest Quarter of the Northwest Quarter of Section 29, Township 33 South, Range 25 West, Clark County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands:

The Southeast Quarter of Section 19, the South Half of the Southwest Quarter of Section 20, the West Half of the Southwest Quarter of Section 29, the Northwest Quarter of Section 29, and the Northeast Quarter of Section 30, all in Township 33 South, Range 25 West, Clark County, Kansas, containing 640 acres, more or less (“leased premises”).

4. Pursuant to K.A.R. 82-3-111, the well was shut in, or MIDCO Exploration, Inc. (the preceding operator hereinafter referred to as "MIDCO") obtained temporary abandonment status, for the subject well on June 19, 2009. The subject well has maintained such status from June 19, 2009 to the present date.
5. On or about September 28, 2018, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after November 24, 2018 because exception to the ten (10) year limitation would expire.
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 September 28, 2018, 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 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:

The well has been completed as a well capable of commercial gas production, but is located over difficult terrain from the nearest leg of a line connection. When either gas prices improve or another well capable of commercial gas production is drilled in the immediate vicinity, the applicant intends to lay a line to connect the production.
9. Applicant submits the following information regarding the well in support of the Application:

Effective September 1, 2018, applicant entered into an agreement with MIDCO to assume operations and further develop the prospect whereupon the subject well and other nearby wells are located. During the tenure of MIDCO operations, along with other wells located in the vicinity, after completion of the subject well, MIDCO drilled 3 wells in an unsuccessful attempt to add additional production to the line necessary to transport gas to the nearest sales

line. Those wells were the Theis #1-20, Theis #1-19 OWWO, and the Theis #4-19; all three wells have been properly plugged and abandoned. MIDCO obtained a market with DCP Midstream and laid a line as far as the Theis #2-19 well located in the Northeast of Section 19-T33S-R25W. Additionally, MIDCO had the line path surveyed from the subject well to the current gas line and determined the cost of laying this pipeline in the current gas market would be cost prohibitive. Since applicant became responsible for operations on September 1, 2018, extensive evaluation and analysis, including but not limited to geophysical, geologic, and engineering services, has been and is continuing to determine how best to develop the area by drilling additional well(s). Applicant has targeted several areas of interest for drilling but the evaluation study is not complete and therefore remains ongoing. Applicant would like to preserve the wellbore to produce in the future if additional gas production in the vicinity is discovered; thereby justifying the cost to lay the necessary line described above. Upon assumption of operations by applicant on September 1, 2018, of primary concern concerning the subject well was to verify the fluid level would not jeopardize any ground water and was in compliance with state regulations.

10. Applicant has included a plat map showing the locations of all producing, injection, temporarily abandoned, abandoned, and plugged wells located on the same unitized 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,

Younger Energy Company
9415 E. Harry St Ste 403
Wichita, KS 67207-5083
316-681-2542
316-681-1190 (fax)

By: 
Diane Rebstock
Executive Vice President

CERTIFICATE OF SERVICE

I hereby certify on this 8th day of OCTOBER, 2018, 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 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.

Deire Relstock

EXHIBIT "A"

- A. Younger Energy Company is the only operator with leases on land within one-half (1/2) mile.

- B. Clawson Ranch Partnership, P.O. Box 279, Plains, KS 67869, owns the unleased mineral interest in the North Half of the Southeast Quarter (N/2 SE) of Section 30, Township 33 South, Range 25 West.

BEFORE THE STATE CORPORATION
COMMISSION OF THE STATE OF KANSAS
NOTICE OF FILING APPLICATION

RE: Younger Energy Company – Application for an exception to the 10-year time limitation K.A.R. 82-3-111 for its Theis #2-29 well located in Clark County, Kansas.

TO: All Oil and Gas Producers, Unleased Mineral Interest Owners, Landowners, and all persons whosoever concerned.

You, and each of you, are hereby notified that Younger Energy Company has filed an application for an exception to the 10-year time limitation of K.A.R. 82-3-111 for its Theis #2-29 well located in the NW/4 of Section 29, Township 33 South, Range 25 West, Clark County, Kansas.

Any persons who object to or protest this application shall be required to file their objections or protests with the Conservation Division of the State Corporation Commission of the State of Kansas within fifteen (15) days from the date of the publication. These protests shall be filed pursuant to Commission regulations and must state specific reasons why the grant of the application may cause waste, violate correlative rights or pollute the natural resources of the State of Kansas.

All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.

Younger Energy Company
9415 E. Harry St Ste 403
Wichita, KS 67207-5083



9415 E. HARRY STREET, SUITE 403 • BUILDING 400 • WICHITA, KANSAS 67207-5083
PHONE: 316-681-2542 • FAX: 316-681-1190

October 8, 2018

Clawson Ranch Partnership
P.O. Box 279
Plains, KS 67869

RE: Theis 2-29 application to extend shut-in

Gentlemen:

Enclosed is a copy of Younger Energy Company's application to extend the shut-in of the Theis 2-29 well. Part of the application process requires that we deliver to you a copy of our application as notification that we have applied for approval from the Kansas Corporation Commission.

Best regards,

A handwritten signature in blue ink that reads "Diane Rebstock".

Diane Rebstock
Executive Vice President

enclosures