

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the matter of the Application of Oil Producers,)	Docket No. <u>20</u> -CONS- <u>3074</u> -CEXC
Inc. of Kansas for an exception to the 10-year)	
time limitation of K.A.R. 82-3-11 for its)	CONSERVATION DIVISION
Covel Trust #2A well located in the NE/4 of)	
Section 24, Township 31 South, Range 32 West,)	License No.: 8061
<u>Seward County, Kansas.</u>)	

APPLICATION

COMES NOW Oil Producers Inc., of Kansas (“Operator”) in support of its Application in the captioned matter and states as follow:

1. Operator is a Corporation, authorized to do business in the State of Kansas at 1710 Waterfront Parkway, Wichita, KS 67206.
2. Operator has been issued by the Kansas Corporation Commission Operator’s License 8061, which expires January 30, 2020.
3. Operator is the owner and operator of the Covel Trust #2A well, API # 15-175-22144-00-00 (“subject well”), which is located in the Southwest Quarter of the Southwest Quarter of the Northwest Quarter of the Northeast Quarter (SW SW NW NE) of Section 24, Township 31 South, Range 32 West, Seward County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands:

All of Section 13, Township 31 South, Range 32 West, Seward County, Kansas.
4. Pursuant to K.A.R. 82-3-111, Operator obtained temporary abandonment status, for the subject well on April 1, 2009. The subject well has maintained such status from April 1, 2009 the present date.
5. On or about April 2, 2019, the Kansas Corporation Commission notified Operator temporary abandonment status for the subject well would be denied from and after April 20, 2019, because subject well has been temporarily abandoned for more than ten (10) years.
6. K.A.R. 82-3-11 imposes a 10-year limitation on the amount of the 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. Operator seeks such an exception.
7. Operator will schedule 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 as soon as possible.

8. Operator wishes to continue TA status for the subject well. Operator feels this 3 year extension is needed to preserve the option of using the subject well for the following reasons and/or purpose(s): 1) possible future return of the well into production after current depressed gas prices have improved, 2) further possible re-completion for disposal utilization within this section for our adjacent Covel Trust #1-24 and the Covel Trust #2-24. This subject well should not be plugged to prevent economic waste associated with re-drilling for future needs as a salt water disposal well. Estimated cost to plug this well would be \$20,000.00. The cost to drill a new well is estimated to be \$200,000. The Subject Well has an available gas market, and historic gas production indicates that the Subject Well may be capable of producing 41,325 mcf of natural gas annually. Cumulative production for this well is 1,239,753 mcf. Current production rate for this lease is approximately 2,537 mcf month w/ 10 bbls oil month. The Subject Well presents no threat to fresh and usable water resources. The surface casing is set to a depth of 1690'. The most recent fluid level test taken February 11, 2019, measured fluid 1959' from surface, well below the base of the freshwater table.
9. Operator 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.
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 three (3) years following the expiration of the 10-year limitation. Operator understands that the exception would be valid for three (3) years, but Operator would still need to apply annually to the Conservation Division District Office for the approval of an application for temporary abandonment status.
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 subject well (provided that such mineral interest is not covered by any oil and gas lease).
12. Notice of this Application will be published pursuant to K.A.R. 82-3-135a. In addition, notice of the hearing to 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,

Oil Producers Inc. of Kansas
1710 Waterfront Parkway
Wichita, KS 67206
Phone: (316)681-0231
Fax: (316) 682-3136



Melody C. Fletcher, Chief Operating Officer

EXHIBIT "A"

Each operator of each oil and gas lease covering lands within one-half (1/2) mile radius of the subject well:

There is no other oil or gas wells being operated within one-half (1/2) mile radius of the subject well.

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):

Unleased mineral owners:

E/2 SE/4 Less R/W Sec. 13-T31S-R32W Seward Co., KS
Diane Dickey Hulting & John Reed Dickey
9500 Mira Del Rio Drive
Sacramento, CA 95827

SW/4 & W/2 SE/4 Less R/W Sec. 13-T31S-R32W Seward Co., KS
Donnie & Donald Serry
13202 E. Bridgefield Pl
Wichita, KS 67230

Covel Trust #2A Sec. 24-31S-32W Seward Co., KS

