THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

| Before Commissioners: | Mark Sievers, C Ward Loyd Thomas E. Wri | | |
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| In the Matter of the Application of Berexco, Inc. for a Basic Proration Order for the Terry Marmaton Oil Pool in Finney County, Kansas. | |) Docket No.: | 12-CONS-185-CBPO 183,811-C (C-26,681) |
| | |) CONSERVA | TION DIVISION |
| | |) License No. | 5363 |
| In the Matter of the Application of Berexco, Inc. for a Basic Proration Order for the Terry Mississippian St. Louis Oil Pool in Finney | |) Docket No.: | 12-CONS-186-CBPO 183,812-C (C-26,682) |
| County, Kansas. |) |) CONSERVA | TION DIVISION |
| | |) License No. | 5363 |
| In the Matter of the Application of Berexco, Inc. for a Basic Proration Order for the Terry Lansing-Kansas City Oil Pool in Finney | |) Docket No.: | 12-CONS-187-CBPO 183,813-C (C-26,683) |
| County, Kansas. |) |) CONSERVA | ATION DIVISION |

ORDER TO SHOW CAUSE

License No. 5363

Now, the above-captioned matter comes on before the State Corporation Commission of the State of Kansas ("KCC" or "Commission") on its own motion. The Commission, being duly advised in the premises and after giving due consideration to the Statutes of Kansas, the regulations of the Commission, and its records and files, makes the following findings and conclusions:

By Order dated February 24, 1993, the Commission established the Terry Marmaton
 Oil Pool to govern well spacing and/or proration, and production of oil from the Marmaton
 formation located in the following acreage:

Section 34, Township 22 South, Range 34 West, Finney County.

2. By Order dated February 24, 1993, the Commission established the Terry Mississippian St. Louis Oil Pool to govern well spacing and/or proration, and production of oil from the Mississippian St. Louis formation located in the following acreage:

Section 34, Township 22 South, Range 34 West, Finney County.

3. By Order dated February 24, 1993, the Commission established the Terry Lansing-Kansas City Oil Pool to govern well spacing and/or proration, and production of oil from the Lansing-Kansas City formation located in the following acreage:

Section 34, Township 22 South, Range 34 West, Finney County.

- 4. The above-referenced fields have been identified by Commission staff as candidates to have the Basic Proration Orders covering the fields dissolved due to the depletion of the subject reservoirs and the lack of production from the wells in the fields.
- 5. The Commission is charged with the jurisdiction and authority to regulate oil and gas activities pursuant to K.S.A. 74-623 and to prevent waste pursuant to K.S.A. 55-601 and K.S.A. 55-701. The Commission has the jurisdiction to institute proceedings for the purpose of fulfilling said responsibility and to enforce the laws of the State of Kansas.
- 6. In view of the foregoing, the Commission finds that all parties in interest shall be directed to appear and show cause as to why the above-referenced Basic Proration Orders should not be dissolved.

IT IS, THEREFORE, BY THE COMMISSION ORDERED: That all parties in interest be, and the same are, hereby directed to appear before this Commission at 10:00 a.m. or as soon thereafter as possible, on April 19, 2012, in the Hearing Room of the Conservation

Division, 130 South Market, Room 2078, Wichita, Kansas, 67202-3802, to show cause why said Basic Proration Orders should not be dissolved.

The Commission retains jurisdiction of the subject matter and the parties for the purpose of entering such further order or orders as from time to time it may deem proper.

BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chmn.; Loyd, Com.; Wright, Com.

Date: JAN 1 8 2012

Patrice Petersen-Klein Executive Director

Date Mailed: 0/-19-2012

I CERTIFY THE ORIGINAL-COPY IS ON FILE WITH The State Corporation Commission

JAN 1 8 2012

CERTIFICATE OF SERVICE

I hereby certify that on $\frac{01-19-201}{0}$, I caused a true and correct copy of the foregoing "Order to Show Cause" to be served by placing the same in the United States mail, postage prepaid, to the following parties:

Evan Mayhew BEREXCO, L.L.C. 2020 N. Bramblewood St. Wichita, KS 67206-1094

Charles B. Wilson Central Crude Corporation P.O. Box 21110 Wichita, KS 67208-2111

Brent Sonnier Oxy, U.S.A., Inc. 5 Greenway Plaza, Ste 2400 Houston TX 77046

Porter K. Ryan – Regulatory Compliance Occidental Energy Marketing, Inc. 5 Greenway Plaza, Ste 110 Houston, TX 77046

Steve Durrant KCC District #1 210 E. Frontview Ste A Dodge City, KS 67801

And delivered by hand to:

Jim Hemmen KCC Central Office

John McCannon
Litigation Counsel

Kansas Corporation Commission