

MAR 17 2025

Conservation Division, Wichita, **BEFORE THE STATE CORPORATION COMMISSION**
OF THE STATE OF KANSAS

In the matter of the Application of New Age)	Docket No: 25-CONS-3312-CEXC
Oil LLC for an exception to the 10-year time)	
Limitation of K.A.R. 82-3-111 for its Werth)	CONSERVATION DIVISION
# 7 well located in the NW/4 of Section 2,)	
Township 10 South, Range 26 West,)	License No: 34310
<u>Sheridan County, Kansas)</u>	

APPLICATION

COMES NOW New Age Oil LLC in support of its Application in the captioned matter and states as follows:

1. Applicant is a Domestic Limited Liability Company authorized to do business in the State of Kansas. Applicant's address is 1563 Ridge Road, Hays, Kansas 67601.
2. Applicant has been issued by the Kansas Corporation Commission Operator's license 34310 which expires October 30, 2024.
3. Applicant is the owner and operator of the Werth # 7 well, API# 15-179-21333-00-01 which is located in the NW Quarter of the Southwest Quarter of the Southeast Quarter of the Northwest Quarter (NW SW SE NW) Section 2, Township 10 South, Range 26 West, Sheridan County, Kansas. The Subject Well is located on an active oil and gas lease or unit comprising the following lands:
 NW/4 Section 2, Township 10 South, Range 26 West, Sheridan County, Kansas containing 160 acres more or less.
4. Pursuant to K.A.R. 82-3-111, the well was shut in on March 1, 2014. The Subject Well has maintained such status from March 1, 2014 to the present date.

5. On or about March 6, 2024, the Kansas Corporation Commission notified Applicant temporary abandonment status for the Subject Well had been denied from and after March 1, 2024 because the Subject Well had been temporarily abandoned for more than ten (10) years.
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 or about March 20, 2024 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 or open hole in the well.
8. Applicant wishes to continue TA status for the Subject Well, because Applicant intends to hold the well as a possible replacement Cedar Hill Saltwater disposal in the event of the failure of the current Cedar Hill Saltwater disposal (Ziegler # 5) currently in use. The Ziegler #5 (SE NE SE Sec.3-10s-26w) was spudded in June of 1985 and completed as an oil well. The well was converted to a Cedar Hill saltwater disposal on March 8, 2001 and has successfully passed required mechanical integrity tests. The Cedar Hill Sand section along with the overlying Cheyenne Sand section are known to contain brackish saltwater which is corrosive to unprotected steel casing. Most casing failures in Cedar Hill saltwater disposals are due to casing leaks and casing failure in the Cedar Hill and or Cheyenne sandstones.
9. Applicant submits the following information regarding the well in support of the Application.

The Werth # 7 (NW SW SE NW Sec.2-10s-26w) was spudded on 5/7/2013 and completed with 5 ½" steel casing set to 4100' and cemented with 170 sacks cement on the bottom stage and cemented from the Anhydrite at 2244' to the surface with 450 sacks of cement. The well proved to be a marginal well and was shut in on 3/01/2014. The well has had timely TA applications filed annually and a cast iron

bridge plug was set at 4020' above perforations at 4038'-4041' to perform a KCC mandated mechanical integrity test of the casing. Cost to plug this well is estimated to be approximately \$10,000.00 or more due to the need to run tubing to the top of the cast iron bridge plug and plug with cement through tubing coming out. Fresh water, cement with additives, rented tubing and a pulling unit will be required along with required dirt work for a workover pit and restoration of the well site and lease road leading to the well. Most of the oil wells serviced by the current salt water disposal were drilled in the mid-80s with the Werth # 7 being the newest well in the area that could serve as a replacement salt water disposal.

The combined leases operated by New Age Oil LLC are known as the Ziegler and Norbert Vonlintel leases with four (4) producing oil wells in total. The Ziegler # 5 is the current salt water disposal well. Since both leases have been productive since the mid-80s production has declined to stripper well status and currently produces a combined 2.75 barrels of oil per day based on reported annual oil sales. Loss of the current salt water disposal would likely tip the economic scale and require the plugging of the four oil wells and present salt water disposal at an estimated cost exceeding \$75,000. Plugging the Werth # 7 and reentering it for a replacement disposal at a later date would incur costs estimated to be in excess of \$50,000.00 to drill out the cement, perforate and swab test the sand to clean up well not to mention down time and lost production due to oil wells being shut in. Hiring the produced salt water to be hauled would be cost prohibitive.

The Werth # 7 is currently permitted as an LKC injection well under docket # E-31,939.1. Tubing was removed by the prior operator leaving the well without tubing or packer for operation. The cost of a new string of lined steel tubing and packer has become almost cost prohibitive due to increased prices for steel and downhole equipment. The current operator has opted to hold the well for a replacement Cedar Hill Sand well because equipment on the current salt water disposal could be moved to the Werth #7 at a much lower cost. Costs to recomplete and

permit the Werth # 7 would still be incurred but total costs would be much lower.

10. Applicant has included a plat map showing the location of all producing, injection, temporarily abandoned, abandoned and plugged wells located on the same leased premises as the Subject Well.

11. Based on the forgoing, 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 attach Exhibit "A" are the names and addresses of the following persons:
 - A. Each operator of each oil and gas lease covering lands within (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 is not covered by any oil and gas lease).

EXHIBIT A

LISTING OF OIL AND GAS OPERATORS, UNLEASE MINERAL OWNERS

John A. & Linda S. Newman E2 Sec.34-9S-26W

19063 250 Ave.

WaKeeney, Kansas 67672

Rebecca Rhea et al S2 Sec.35-9S-26W

118 N Oak

Stockton, Kansas 67669

Harold Werth Jr. Living Trust All of Sec.2-10S-26W

10767 S Road 140E

Quinter, Kansas 67752

Culbreath Oil & Gas NE/4 Sec.2-9S-26W

1532 S. Peoria Ave.

Tulsa, OK 74120-6202

New Age Oil LLC

NW/4, SW/4 Sec.2-10S-26W

1563 Ridge Road

SE/4 Sec.3-10S-26W

Hays, Kansas 67601

Berans Resources LLC

N2,SE/4 Sec.3-10S-26W

628 N. 7th Street

WaKeeney, Kansas 67672

13. Notice of this Application will be published pursuant to K.A.R. 82-3-135a after submittal of the Application and acknowledgment from the Kansas Corporation Commission that the Application was received and assigned a docket number by staff. 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 to be set for hearing, and upon hearing that the Commission grant Applicant's request, for the 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,

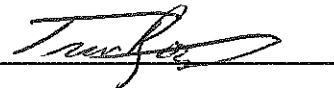
Travis Rozean

1563 Ridge Road

Hays, Kansas 67601

785-623-0473

By



Travis Rozean

VERIFICATION

STATE OF KANSAS)

COUNTY OF ~~SHERIDAN~~)
 Ellis

ss:

Travis Rozean, of lawful age, being duly sworn, upon oath states:

That he has the authority on behalf of the Operator to file this application, has read the application, knows the contents, and knows all of the statements in the application are true and correct.

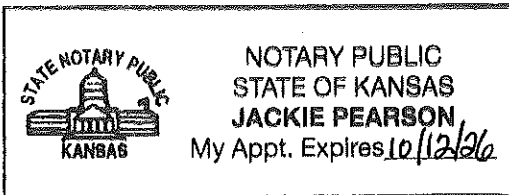


Signature of Submitter

Subscribed and sworn to before me this *March 2025* day of *May* , 2024

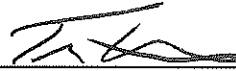

Notary Public

My appointment expires:



CERTIFICATE OF SERVICE

I hereby certify on this ^{13th} ~~3rd~~ day of ^{March} ~~May~~, 2024, true and correct copies of the above and foregoing Application and Notice of Application were served by depositing copies of the same in the United States Mail, postage prepaid, and properly addressed to the landowners and operators set forth in paragraph 12 of said Application and each party set forth in Exhibit "A" attached to said Application files by Operator, and a digital scan of the application was delivered electronically to the Kansas Corporation Commission.



Travis Rozean