

MAR 26 2015

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

CONSERVATION DIVISION
WICHITA, KS

Before Commissioners: Shari Feist Albrecht, Chair
Jay Scott Emler
Pat Apple

In the matter of the Application of Agriculture) Docket No. 15-CONS- 779 -CEXC
Energy Services, Inc., Applicant, for an)
exception to the 10-year time limitation of)
K.A.R. 82-3-111 for its Peters 1-15 well located) CONSERVATION DIVISION
in the SW/4 of Section 15, Township 33 South,)
Range 33 West, Seward County, Kansas.) License No.: 34089
_____)

APPLICATION

COMES NOW Agriculture Energy Services, Inc. ("Applicant"), by and through its attorney,
Karl F. Hirsch, and for its application in the captioned matter states as follows:

1. Applicant is a corporation organized to do business in the State of Kansas.
Applicant's address is PO Box 31865, Edmond, Oklahoma 73003.

2. Applicant has been issued by the Kansas Corporation Commission Operator's License
34089, which expires on March 30, 2016.

3. Applicant is owner and operator of the Peters 1-15 well, API 15-175-00038-00-00
("the subject well"), which is located in the Southwest Quarter of Section 15, Township 33 South,
Range 33 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 15, Township 33 South, Range 33 West, Seward 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 Applicant obtained temporary
abandonment status for the subject well on October 4, 2004. The subject well has maintained such

status from October 4, 2004 to the present.

5. On or about September 4, 2014, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after October 4, 2014. Applicant has since paid a penalty and requests that this matter be granted administratively without a hearing, or in the alternative be set for a 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.

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. The subject well is awaiting a Commission Staff-witnessed mechanical integrity test, the results of which shall supplement this application, 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 use the well as a producing well.

9. Applicant submits the following information regarding the well in support of the Application. The estimated cost to plug this well would be \$45,000. There are a number of zones that may be capable of producing quantities of oil and/or gas that have produced in the area. Those zones

should be tested in this wellbore. The volumes may not be sufficient to justify drilling a new well and should be tested in this wellbore first. Current economic conditions affecting oil and gas prices and the uncertainty of oil and gas prices in the near future require continued temporary abandonment. Such action is more economically prudent than drilling new wells within the section.

10. Attached as Exhibit "A" is a plat map showing the locations of all producing, injection, temporary abandoned, abandoned, and plugged wells located on the same leased premises as the subject well. Applicant shall supplement a more detailed plat map once available.

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. As a supplement to this application, Applicant will provide 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 a 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,

AGRICULTURAL ENERGY SERVICES

A handwritten signature in dark ink, appearing to read 'Karl F. Hirsch', is written over a horizontal line.

KARL F. HIRSCH, KSCT NO. 23274
HIRSCH, HEATH & WHITE, P.L.L.C.
901 Cedar Lake Boulevard
Oklahoma City, Oklahoma 73114
Phone: (405) 235-1768
Facsimile: (405) 608-4913
Attorneys for Applicant

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VERIFICATION

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

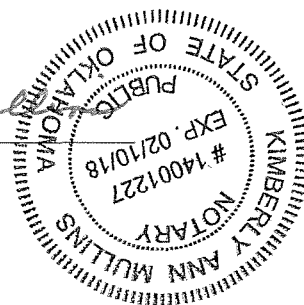
Karl F. Hirsch, of lawful age, being first duly sworn, upon oath states:

Karl F. Hirsch has the authority on behalf of the Applicant to file this application, has read the application, knows the contents and knows all of the statements in the application are true and correct.


KARL F. HIRSCH

Subscribed and sworn for me this 25th day of March, 2015.

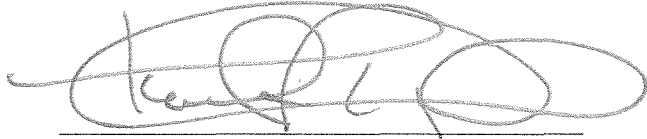

NOTARY PUBLIC



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CERTIFICATE OF SERVICE

I hereby certify on this 25th day of March, 2015, 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 landowner(s) set forth in paragraph 12 of said Application and seven (7) copies were submitted to the Kansas Corporation Commission.

A handwritten signature in dark ink, appearing to read 'Karl F. Hirsch', is written over a horizontal line.

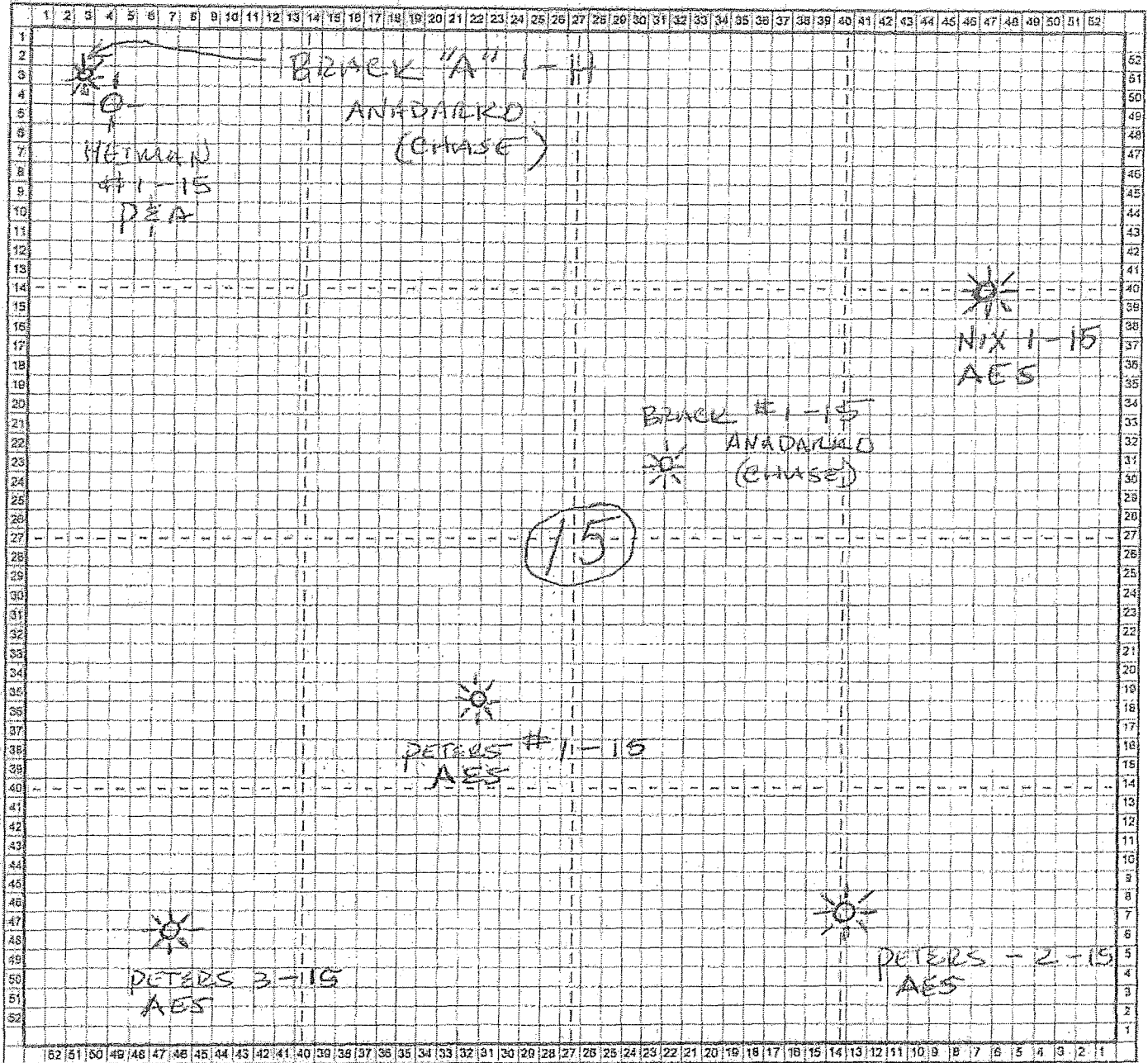
KARL F. HIRSCH

PETERS #1-15

Section Plat

Section 15 Twp 33 Rng 33

County, State SEWARD, KANSAS



EXHIBIT

A