BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

)

)

)

)

)

)

In the matter of the application of Berexco LLC for an exception to the 10-year time limitation of K.A.R. 82-3-111 for its Tobias Simpson Unit #6-5 well located in the NE SW SE of Sec 35, T20S, R9W Rice County, Kansas. Docket No. 20-CONS- 3197 -CEXC

CONSERVATION DIVISION

License No.: 34318

APPLICATION

COMES NOW Berexco LLC ("Operator") for its application in the captioned matter states as follows:

1. Operator is a limited liability company authorized to do business in the State of Kansas. Operator's address is 2020 North Bramblewood, Wichita, Kansas 67206.

2. Operator has been issued by the Kansas Corporation Commission Operator's License #34318, which expires on October 30, 2020.

3. Operator is the owner and operator of the Tobias Simpson Unit #6-5 well, API #15-159-02716-0000 which is located in the Northeast Quarter of the Southwest Quarter of the Southeast Quarter of Section 35, Township 20 South, Range 9 West, Rice County, Kansas. The subject well is located on an active oil and gas lease comprising the following lands: The West Half of Section 25, the Southeast Quarter of Section 26, the East Half and the Southwest Quarter of Section 35, and the West Half of Section 36, all in Township 20 South, Range 9 West, and the North Half of Section 2, Township 21 South, Range 9 West, Rice County, Kansas.

4. Pursuant to K.A.R. 82-3-111, Operator obtained temporary abandonment status for the Tobias Simpson Unit #6-5 well on July 2, 2002. The subject well has maintained such status from July 2002, to the present date.

5. On or about December 3, 2018, the Kansas Corporation Commission notified Operator that temporary abandonment status for the subject well would be denied because the subject well had been temporarily abandoned for more than ten (10) years and the 10-year limitation exception was expiring on or about November 29, 2019.

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 regulations through an application filed with the Commission pursuant to K.A.R. 82-3-100. Operator seeks such an exception.

7. The subject well demonstrated mechanical integrity as evidenced by passage of Commission Staff-witnessed mechanical integrity test on or about December 9, 2019.

8. Operator is keeping the subject well for potential conversion to a Simpson injection well. The subject well should not be plugged to prevent economic waste associated with redrilling for future needs as an injection well, either for secondary or tertiary recovery. Estimated cost to plug this well is \$20,000. The cost to convert this well to injection capability is estimated to be \$70,000. There is also the possibility the well could be restored to production in the event one of the current producers is lost. Production from the Tobias Simpson Unit is around 1.8 BOPD with potential reserves estimated at 5,000 barrels of oil.

2

9. Operator has included a plat map showing the locations of all producing, injection, saltwater disposal, temporarily abandoned, and plugged wells located on the same leased premises as the subject well. There are five active producing wells, one active injection well, two temporarily abandoned injection well, and one temporarily abandoned oil well (the subject well) on the lease.

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 the three (3) years following the expiration of the 10-year limitation, subject to yearly renewal with the appropriate Conservation Division District, but without further need to re-apply for a new exception each of the three (3) years prayed for in this application to the Commission.

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 the subject well (provided that such mineral interest is not covered by any oil and gas lease).

12. Notice of this application has been 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.

3

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,

Jonathan Hayward 2020 N. Bramblewood Wichita, KS 67206 316-265-3311 Fax #316-681-4766

By: <u>Jou Haynand</u> Signature of Submitter

State of Kansas) SS: County of Rice

Jonathan Hayward, of lawful age, being duly sworn upon his oath deposes and states: That he has the authority on behalf of Operator to file this application, that he has read the above and foregoing application and is familiar with the contents thereof; and, that the statements made therein are true and correct to the best of his knowledge and belief.

By: Jon Hayward Signature of Submitter

SUBSCRIBED AND SWORN to before me this $\frac{9^{\text{th}}}{2}$ day of $\frac{1}{2}$, 2020.

Notary Public

My Appointment Expires:

JESSE FENDORF NOTARY PUBLIC STATE OF KANSAS My Appt. Exp. 12-16

12-16-2020

CERTIFICATE OF SERVICE

I hereby certify on this $\underline{\mathscr{B}}^{tr}$ day of $\underline{\mathsf{J}}_{ancary}$, 2020, true and correct copies of the attached Notice of Filing Application were served by depositing copies of the same in the United States Mail, postage prepaid, and properly addressed to each of the unleased mineral owner(s) and operator(s) set forth in Exhibit "A" attached to said Application filed by Operator, and the above and foregoing original Application was uploaded to the Kansas Corporation Commission via E-filing Express to a new docket.

Name of Signed

EXHIBIT A

Tobias Simpson #6-5 notice area

Surface owner - SE/4 Sec. 35-20S-9W

Duane Johnson Farm 2150 14th Rd. Sterling, KS 67579

<u>Operator – SW/4 & E/2 Sec. 35; W/2 Sec. 36-20S-9W,</u> N/2 Sec. 2-21S-9W

Berexco LLC 2020 N. Bramblewood Wichita, KS 67206

Unleased mineral owner - NW/4 Sec. 35-20S-9W

Guy Todd Oden 1270 Avenue S Sterling, KS 67579-8846

Unleased mineral owner - NE/4 Sec. 3-21S-9W

Kent & Nancy Shuyler 1070 Avenue S Alden, KS 67512

BEREXCO LLC

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

RE: BEREXCO LLC. - - Application for an exception to the 10 year time limitation of K.A.R. 82-3-111 for the Tobias Simpson Unit #6-5 well, located in Rice County, Kansas.

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

You, and each of you, are hereby notified that Berexco LLC has filed an application for a three year exception to the 10 year temporarily abandoned time limitation of K.A.R. 82-3-111 for the Tobias Simpson Unit #6-5 well located in the NE SW SE of Section 35-20S-9W, Rice County, Kansas.

Any persons who object to or protest this application shall be required to file their objections or protest with the Conservation Division of the State Corporation Commission of the State of Kansas within fifteen (15) days from the date of this 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.

BEREXCO LLC 2020 No Bramblewood Wichita, Kansas 67206 316-265-3311



PETRA 1/7/2020 3:31:10 PM