

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

In the Matter of the Application of Knighton ) Docket No. 24-CONS-3372-CWLE  
Oil Company, Inc., for a Well Location )  
Exception for its Casey 1-32 well to be located ) CONSERVATION DIVISION  
in the NW/4 of Section 32, Township 15 South, )  
Range 10 East, Lyon County, Kansas ) License No. 5010

**APPLICATION  
FOR WELL LOCATION EXCEPTION AND ALLOWABLE**

Knighton Oil Company, Inc. (“Applicant”) files this Application for Well Location Exception and Allowable (“Application”) with the State Corporation Commission of the State of Kansas (“Commission”) requesting an order authorizing the drilling of its Casey 1-32 well at the location specified below and for the assignment of a full allowable to said well. In support of his Application, Applicant states and alleges as follows:

1. Applicant is a Kansas corporation whose mailing address of 1700 N. Waterfront Pkwy, 100 Suite A, Wichita, Kansas, 67206.
2. The Commission has issued Applicant oil and gas operator’s License No. 5010, which license is in full force and effect through June 30, 2024.
3. Applicant is the owner and operator of a valid and subsisting oil and gas lease (“Subject Lease”) covering, inter alia, the W/2 NW/4 and SW/4 of Section 32-T15S-R10E, Lyon County, Kansas.
4. Applicant desires to drill and complete the Casey 1-32 well (“Subject Well”) as an oil well at a location on the Subject Lease that is 1,285’ from the West line and 2,220’ from the North line of Section 32-T15S-R10E, Lyon County, Kansas. The Subject Well would be drilled to a true vertical depth of approximately 3,150’ measured from surface to test the Viola formation (“Target Formation”) for oil reserves.

5. K.A.R. 82-3-108(a) prescribes a 330' setback from any lease or unit boundary for any well drilled 2,000' or deeper in Lyon County, Kansas. K.A.R. 82-3-108(c) provides that a well location exception may be granted to permit drilling a well within the prescribed setback if necessary to prevent waste or to protect correlative rights.

6. Applicant requests a well location exception pursuant to K.A.R. 82-3-108(c) because Applicant desires to drill the Subject Well at a location that is approximately 35' from the eastern boundary line of the Subject Lease.

7. Drilling the Subject Well at the proposed location is necessary to prevent waste of oil reserves. Applicant recently conducted a 3D-seismic survey over the Subject Lease and other leases and lands in its vicinity. Applicant's geophysical and geological staff and consultants have interpreted the data obtained from the 3D-seismic survey and determined that the location proposed is the optimal location on the Subject Lease to drill the Subject Well to effectively test the Target Formation for oil reserves. Based upon Applicant's geophysical and geologic analysis, it is not feasible to move the Subject Well west to comply with the minimum setback requirements. Doing so would move the location of the Subject Well off the identified structure and potential oil reservoir, reducing the likelihood that the Subject Well will be successful—resulting in waste.

8. Drilling the Subject Well at the proposed location is necessary to protect the correlative rights of Applicant and its lessor-mineral owners. The identified oil reservoir within the Target Formation abuts the eastern boundary of the Subject Lease. Applicant has attempted to acquire an oil and gas lease from the mineral owner of the tract of land ("Offset Tract") whose property line is situated less than 330' from the proposed location of the Subject Well. Applicant has even offered the owner of the Offset Tract a "no-drill" lease that would allow Applicant to

form a unit so that the Subject Well could be drilled at a legal location and not upon the Offset Tract. The owner of the Offset Tract refuses to consider an oil and gas lease on any terms, which violates the correlative rights of Applicant and its lessor-mineral owners.

9. Exhibit A is a plat showing the boundaries of the Subject Lease, the proposed location of the Subject Well, the Offset Tract and other adjacent property, and all completed, partially drilled and permitted wells on the Subject Lease, the Offset Tract and other adjacent property.

10. The following is a list of each offset operator and unleased mineral owner whose lease or property line is located less than 330' from the proposed location of the Subject Well.

Jim Houck  
250 Road 392  
Allen, KS 66833

Applicant does not operate an oil and gas lease and has no rights to the minerals beneath the lands that will be situated less than 330' from the proposed location of the Subject Well.

11. Applicant requests a full allowable of 100 BOPD be assigned to the Subject Well in accordance with the provisions of K.A.R. 82-3-203 (oil allowable in non-prorated pool). Applicant further requests the assignment of a full acreage attribution unit to the Subject Well.

12. A proposed notice of intent to drill the Subject Well is attached as Exhibit B in accordance with K.A.R. 82-3-108(e).

13. Pursuant to K.A.R. 82-3-108(f), notice of this Application will be provided to all those persons identified in paragraph 10, and will be published in the *Wichita Eagle* and the *Emporia Gazette*, the official newspaper of Lyon County, Kansas, in accordance with K.A.R. 82-3-135a(d). Notice will therefore be lawful and proper in all respects. Each publisher's affidavit

will be provided to the Commission upon receipt. A copy of the Notice of Application will be filed in this docket.

WHEREFORE, Applicant requests that this Application be docketed by the Commission and that, if no interested party files a timely and proper protest, the Commission enter an order administratively granting this Application and authorizing the drilling of the Subject Well at the location proposed and assigning it a full allowable without incurring the time and expense of an evidentiary hearing. In the event a valid protest is timely filed, Applicant requests that the Commission set this Application for hearing and, upon such hearing, grant the requested order, and afford such other and further relief as the Commission deems necessary and proper.

Respectfully submitted,

MORRIS LAING LAW FIRM

By: 

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Jonathan A. Schlatter, #24848  
300 N. Mead, Suite 200  
Wichita, KS 67202-2745  
Telephone: 316-262-2671  
Fax: 316-262-6226  
[jschlatter@morrislaing.com](mailto:jschlatter@morrislaing.com)  
*Attorneys for Knighton Oil Company, Inc.*

**VERIFICATION**

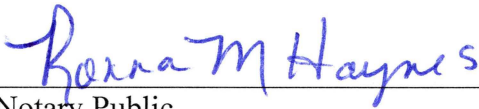
STATE OF KANSAS                    )  
  ) ss:  
COUNTY OF SEDGWICK            )

Jonathan A. Schlatter, being of lawful age and first duly sworn upon his oath, deposes and says:

That he is the attorney for Knighton Oil Company, Inc.; 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.

  
\_\_\_\_\_  
Jonathan A. Schlatter

SIGNED AND SWORN to before me this 23<sup>rd</sup> day of May, 2024.

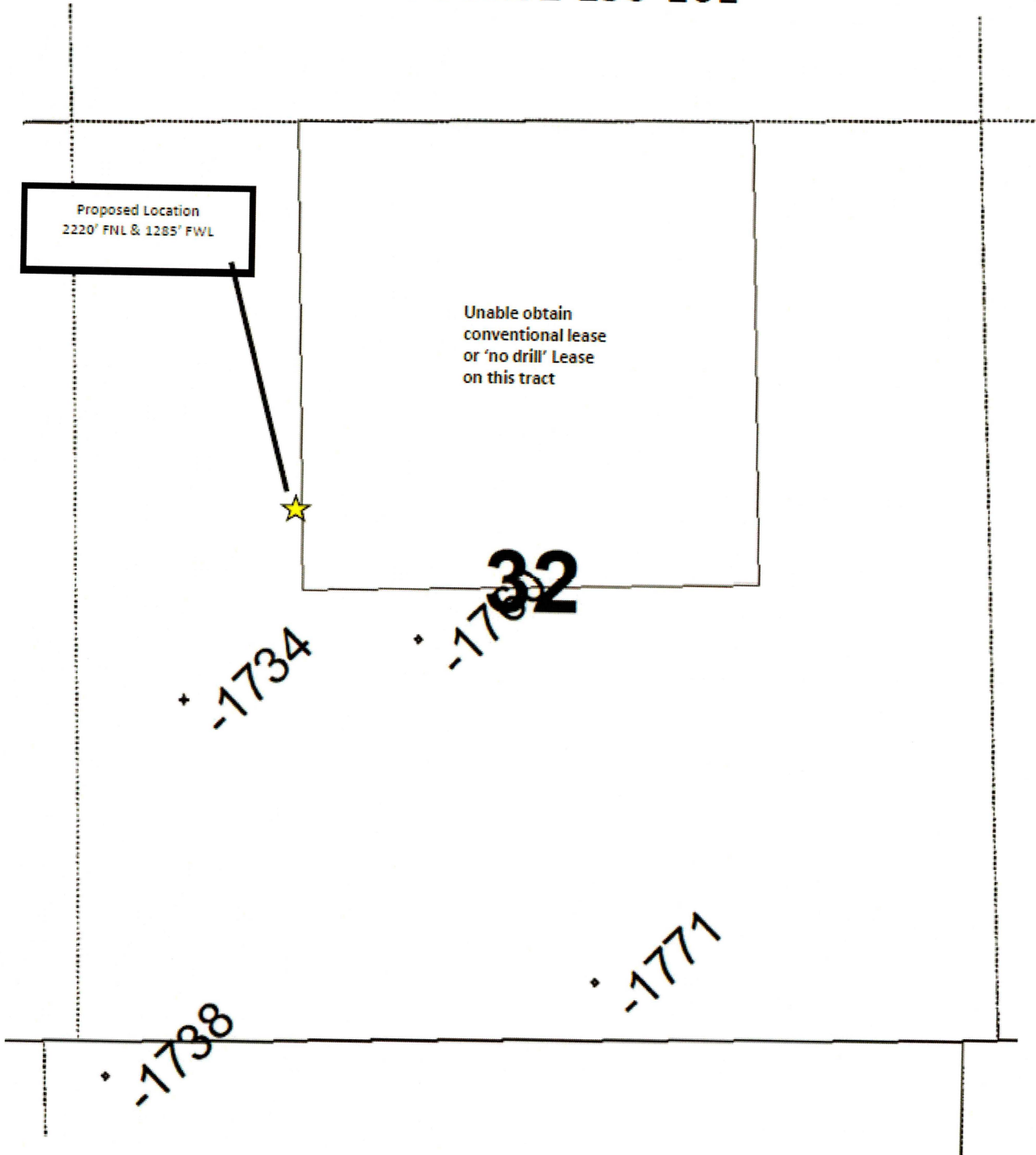
  
\_\_\_\_\_  
Notary Public

My Appointment expires:



EXHIBIT A  
Plat

Casey #1-32  
NW4 Sec.32 15S-10E



**EXHIBIT B**  
Notice of Intent to Drill



For KCC Use:

Effective Date: \_\_\_\_\_

District # 3

SGA?  Yes  No

# DRAFT KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

## NOTICE OF INTENT TO DRILL

*Must be approved by KCC five (5) days prior to commencing well*

**Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.**

Expected Spud Date: 7/01/2024  
month day year

OPERATOR: License# 5010  
Name: Knighon Oil Company, Inc.  
Address 1: 1700 N WATERFRONT PKWY BLDG 100 STE A  
Address 2: \_\_\_\_\_  
City: Wichita State: KS Zip: 67206 + 6627  
Contact Person: Chris Toy  
Phone: 3166309905

CONTRACTOR: License# 35589  
Name: Lighthouse Drilling, LLC

Well Drilled For:  Oil  Gas  Enh Rec  Storage  Disposal  Seismic ; # of Holes \_\_\_\_\_  
Well Class:  Infield  Pool Ext.  Wildcat  Other \_\_\_\_\_  
Type Equipment:  Mud Rotary  Air Rotary  Cable  
 Other: \_\_\_\_\_  
 If OWWO: old well information as follows:

Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No  
If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_  
KCC DKT #: \_\_\_\_\_

Spot Description: \_\_\_\_\_  
NE - SE - SW - NW Sec. 32 Twp. 15 S. R. 10  E  W  
(Q/Q/Q/Q) 2220 feet from  N /  S Line of Section  
1285 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Lyon  
Lease Name: Casey Well #: 1-32  
Field Name: Wildcat

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Viola

Nearest Lease or unit boundary line (in footage): 35  
Ground Surface Elevation: 1411 Estimated feet MSL

Water well within one-quarter mile:  Yes  No  
Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: \_\_\_\_\_  
Depth to bottom of usable water: \_\_\_\_\_

Surface Pipe by Alternate:  I  II  
Length of Surface Pipe Planned to be set: 200

Length of Conductor Pipe (if any): \_\_\_\_\_  
Projected Total Depth: 3150

Formation at Total Depth: Arbuckle  
Water Source for Drilling Operations:  Well  Farm Pond  Other: \_\_\_\_\_

DWR Permit #: \_\_\_\_\_  
(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No  
If Yes, proposed zone: \_\_\_\_\_

### AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date.  
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: \_\_\_\_\_ Signature of Operator or Agent: \_\_\_\_\_ Title: \_\_\_\_\_

**For KCC Use ONLY**

API # 15 - \_\_\_\_\_

Conductor pipe required \_\_\_\_\_ feet

Minimum surface pipe required \_\_\_\_\_ feet per ALT.  I  II

Approved by: \_\_\_\_\_

**This authorization expires:** \_\_\_\_\_  
(This authorization void if drilling not started within 12 months of approval date.)

Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

**Remember to:**

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

**Well will not be drilled or Permit Expired** Date: \_\_\_\_\_  
Signature of Operator or Agent: \_\_\_\_\_

32  
15  
10  
 E  W



For KCC Use ONLY

API # 15 - \_\_\_\_\_

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: Knighton Oil Company, Inc.  
 Lease: Casey  
 Well Number: 1-32  
 Field: Wildcat

Location of Well: County: Lyon  
 \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 32 Twp. 15 S. R. 10  E  W

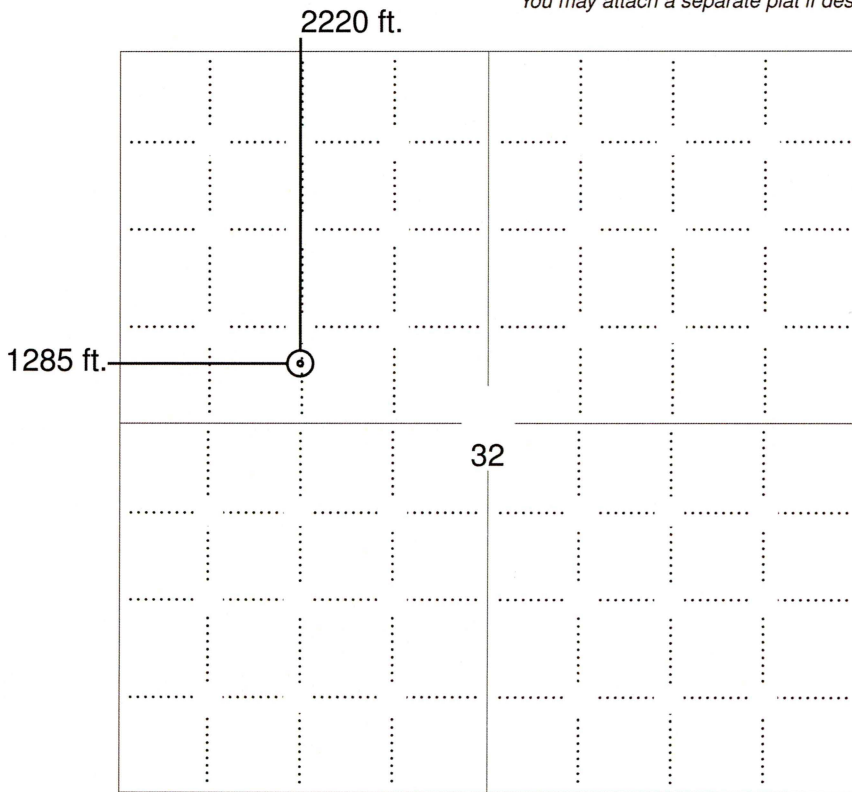
Number of Acres attributable to well: \_\_\_\_\_  
 QTR/QTR/QTR/QTR of acreage: NE - SE - SW - NW

Is Section:  Regular or  Irregular

**If Section is Irregular, locate well from nearest corner boundary.**  
 Section corner used:  NE  NW  SE  SW

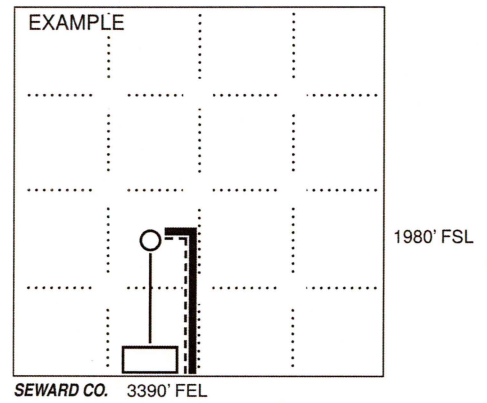
**PLAT**

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).  
 You may attach a separate plat if desired.



**LEGEND**

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



**NOTE: In all cases locate the spot of the proposed drilling location.**

**In plotting the proposed location of the well, you must show:**

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

**DRAFT**  
 KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION  
**APPLICATION FOR SURFACE PIT**

Form CDP-1  
 May 2010  
 Form must be Typed

*Submit in Duplicate*

Operator Name: Knighton Oil Company, Inc.		License Number: 5010	
Operator Address: 1700 N WATERFRONT PKWY BLDG 100 STE A		Wichita KS 67206	
Contact Person: Chris Toy		Phone Number: 3166309905	
Lease Name & Well No.: Casey 1-32		Pit Location (QQQQ): NE - SE - SW - NW Sec. 32 Twp. 15 R. 10 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 2220 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1285 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Lyon County	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 4000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
How is the pit lined if a plastic liner is not used? <b>Native Clay/Bentonite</b>			
Pit dimensions (all but working pits): 75 Length (feet) 75 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: 5101 feet    Depth of water well 50 feet		Depth to shallowest fresh water 14 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: Drilling Mud Number of working pits to be utilized: 3 Abandonment procedure: <b>Allow Fluids to Evaporation, Backfill with native soil, compact</b> Drill pits must be closed within 365 days of spud date.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.			
_____ Date		_____ Signature of Applicant or Agent	

<b>KCC OFFICE USE ONLY</b>			
Date Received: _____		Permit Number: _____	
Permit Date: _____		Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/> Liner		<input type="checkbox"/> Steel Pit	
<input type="checkbox"/> RFAC		<input type="checkbox"/> RFAS	



**DRAFT**  
KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form KSONA-1  
July 2021  
**Form Must Be Typed**  
**Form must be Signed**  
**All blanks must be Filled**

**CERTIFICATION OF COMPLIANCE WITH THE  
KANSAS SURFACE OWNER NOTIFICATION ACT**

*This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.*

Select the corresponding form being filed:  C-1 (Intent)  CB-1 (Cathodic Protection Borehole Intent)  T-1 (Transfer)  CP-1 (Plugging Application)

OPERATOR: License # 5010  
Name: Knighton Oil Company, Inc.  
Address 1: 1700 N WATERFRONT PKWY BLDG 100 STE A  
Address 2: \_\_\_\_\_  
City: Wichita State: KS Zip: 67206 + 6627  
Contact Person: Chris Toy  
Phone: ( 316 ) 6309905 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: chris@knigtonoil.com

Well Location:  
NE SE SW NW Sec. 32 Twp. 15 S. R. 10  East  West  
County: Lyon  
Lease Name: Casey Well #: 1-32

*If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:*

**Surface Owner Information:**

Name: Malcom Casey  
Address 1: 117 Road 380  
Address 2: \_\_\_\_\_  
City: Council Grove State: Kansas Zip: 66846 + \_\_\_\_\_

*When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.*

*If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.*

**Select one of the following:**

- I certify that, pursuant to the Kansas Surface Owner Notice Act (see Chapter 55 of the Kansas Statutes Annotated), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

*If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.*

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: \_\_\_\_\_ Signature of Operator or Agent: \_\_\_\_\_ Title: \_\_\_\_\_

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

In the Matter of the Application of Knighton ) Docket No. 24-CONS-3372-CWLE  
Oil Company, Inc., for a Well Location )  
Exception for its Casey 1-32 well to be located ) CONSERVATION DIVISION  
in the NW/4 of Section 32, Township 15 South, )  
Range 10 East, Lyon County, Kansas ) License No. 5010

TO ALL: OIL AND GAS OPERATORS, PRODUCERS AND LESSEES, OIL AND GAS LESSORS AND ROYALTY OWNERS, UNLEASED AND OFFSETTING MINERAL INTEREST OWNERS, LANDOWNERS, AND ALL PERSONS CONCERNED:

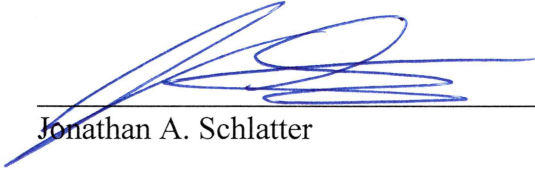
You are hereby notified that Knighton Oil Company, Inc. ("Operator"), has filed with the Kansas Corporation Commission an Application requesting a well location exception and full allowable for his Casey 1-32 well to be located 1,285' from the West line and 2,220' from the North line of Section 32-T15S-R10E, Lyon County, Kansas, which well location is approximately 35' from the eastern boundary line of its Casey oil and gas lease. Operator intends to drill the well to a depth of 3,150' measured from surface to test the Viola formation for oil reserves.

The application is pending with the Commission. Any persons who object or protest to such application shall be required to file their objections or protests in writing with the Commission within 15 days from the date of this publication. If a written protest is not timely filed, the application may be determined administratively by the Commission and may thereby be granted without hearing or further notice to any interested party. All objections and protests shall clearly state the reasons why granting the application will violate correlative rights, cause waste or pollution. Objections or protests shall be mailed to the Kansas Corporation Commission, Conservation Division, 266 N. Main St., Ste. 220, Wichita, KS 67202, with a copy to applicant's attorneys listed below. All parties in any way interested or concerned shall take notice of the foregoing and govern themselves accordingly.

Jonathan A. Schlatter, #24848  
MORRIS LAING EVANS BROCK  
& KENNEDY, CHTD.  
300 N. Mead, Suite 200  
Wichita, KS 67202-2745  
Office (316) 262-2671  
*Attorneys for Knighton Oil Company, Inc.*

**CERTIFICATE OF SERVICE**

I certify that on this 23<sup>rd</sup> day of May, 2024, I caused the original of the foregoing Application and its Exhibit A and B, and the Notice of Application to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and caused true and correct copies of the same to be deposited in the United States Mail, postage prepaid, and properly addressed to the individuals identified in paragraph 10 to the application.



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Jonathan A. Schlatter