THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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| Before | Commissioners: | |

Shari Feist Albrecht, Chair

Jay Scott Emler Dwight D. Keen

| In the Matter of the Application of Berexco |) | Docket No. 18-CONS-3384-CEXC |
|--|-----|------------------------------|
| LLC for an Exception to the Pit Closure Time |) | |
| Limitations of K.A.R. 82-3-602(a)(2) for its |) | CONSERVATION DIVISION |
| Love #1-18 and #1-18R wells Located in the |) | |
| NW NE SE SE of Sec. 18-30S-40W. Stanton |) | License No. 34318 |
| County, Kansas. | _) | |

ORDER GRANTING APPLICATION

The above captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, and being duly advised in the premises, the Commission makes the following findings and conclusions:

I. JURISDICTION

- The Commission has the exclusive jurisdiction and authority to regulate oil and gas activities in Kansas.¹
 - 2. K.A.R. 82-3-602(a)(2) limits pit permit extensions to two, three month extensions.
- 3. K.A.R. 82-3-100 provides that the Commission may grant an exception to any regulation after application and notice.

II. FINDINGS OF FACT

- 4. Berexco LLC (Operator) conducts oil and gas activities in Kansas under active license number 34318.
- 5. On June 4, 2018, the Operator filed an Application requesting an exception to the time limitations for pit closures set out in K.A.R. 82-3-602(a)(2); for the drilling pits associated

¹ K.S.A. 74-623.

with the Love #1-18 and Love #1-18R wells ("subject pits"). The Operator has already been granted the maximum extension allowed under K.A.R. 82-3-602(a)(2) but states that additional time is needed to allow the mud to become completely dehydrated before being filled in order to prevent permanent damage to the farm ground.²

6. In reviewing the Operator's Application, Commission Conservation Staff (Staff) attempted to conduct a lease inspection of the subject pits but was unable to access the pit site due to the lease road being flooded. Staff recommended that the Operator be given an additional 90 days to close the subject pits in order to allow time for the subject pits to properly dehydrate. No protest has been received by the Commission.

III. CONCLUSIONS OF LAW

- 7. The Commission finds and concludes that it has jurisdiction over the Operator in this matter.
- 8. The Commission finds and concludes the Application was filed in accordance with the rules and regulations of the Commission and in accordance with Kansas statutes.
- 9. The Commission finds and concludes that notice was properly served and published.
- 10. Based on the above facts, the Commission finds and concludes that the Application should be granted.

THEREFORE, THE COMMISSION ORDERS:

A. The Operator's Application for an exception to K.A.R. 82-3-602(a)(2) is granted. The Operator has 90 days from the date of this order to close the subject pits.

² See Application (June 4, 2018), ¶ 6.

| B. | Any | party | may | file | and | serve | a | petition | for | reconsideration | pursuant | to | the |
|----------------|---------|--------|---------|-------|-------|---------|---|-----------|-------|-----------------|----------|----|-----|
| requirements a | and tir | ne lim | its est | ablis | hed l | by K.S. | A | . 77-529(| a)(1) |).3 | | | |

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Keen; Commissioner.

| Dated: 07/31/2018 | 07/31/2018 | Lynn M. Reg |
|-------------------|------------|-----------------------------|
| | | Lynn M. Retz |
| | | Secretary to the Commission |

Mailed Date: 08/01/2018

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³ K.S.A. 55-162; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

18-CONS-3384-CEXC

| I, the undersigned, certify that the true copy | of the attached Order has been served to the following parties by means of |
|--|--|
| first class mail and electronic service on | 07/31/2018 |

Brett Blazer BEREXCO LLC 2020 N. BRAMBLEWOOD WICHITA, KS 67206-1094 JONELLE RAINS
KANSAS CORPORATION COMMISSION
Conservation Division
266 N. Main St. Ste. 220
WICHITA, KS 67202-1513
Fax: 785-271-3354
j.rains@kcc.ks.gov

LAUREN WRIGHT, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION Conservation Division 266 N. Main St. Ste. 220 WICHITA, KS 67202-1513 Fax: 316-337-6211 I.wright@kcc.ks.gov

/S/ DeeAnn Shupe
DeeAnn Shupe