

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

In the matter of the application of Canaday Oil ) Docket No.: 23-CONS-3074-CEXC  
Corporation for an exception to the 10-year )  
time limitation of K.A.R. 82-3-111 for its ) CONSERVATION DIVISION  
Byerly # 1-17 well located in the Northwest )  
Quarter (NW/4) of Section 17, Township 30 ) License No.: 5303  
South, Range 24 West, Clark County, Kansas. )

**STAFF RECOMMENDATION ON APPLICATION**

Comes now the Staff of the Kansas Corporation Commission (Staff and Commission, respectively) recommending the Commission grant the application submitted by Canaday Oil Corporation (Operator) in the captioned docket. In support of Staff's recommendation, Staff states the following:

1. On August 31, 2022, Operator filed its application requesting an exception to the 10-year time limitation of K.A.R. 82-3-111 for its Byerly #1-17 well (Subject Well), API #15-025-21015, located in Clark County, Kansas. Operator's application noted that the Subject Well was located on a recently expired lease that it intended to include in a new secondary recovery unit.<sup>1</sup> Operator previously conducted a satisfactory casing integrity test at the Subject Well on August 22, 2022.

2. On February 8, 2023, Commission Staff filed a Motion for the Designation of a Presiding Officer and the Scheduling of a Prehearing Conference based on the lack of lease for the Subject Well.

3. On October 5, 2023, Operator filed an application in Docket 24-CONS-3103-CUNI to form the Irons Morrow Sand Unit, which would include the land where the Subject Well was located. Protests were filed and a hearing was held regarding Operator's application to form the

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<sup>1</sup> Application, ¶3 (Aug. 31, 2022).

Irons Morrow Sand Unit. On July 2, 2024, the Commission issued a Final Order granting Operator's application.

4. The granting of Operator's application to form the Irons Morrow Sand Unit in Docket 24-CONS-3103-CUNI appears to resolve Staff's issue as the Subject Well is included in the acreage of the unit. Based on the potential future use provided by Operator, Staff is willing to recommend that the Commission grant Operator's exception application in the captioned docket.

5. Operator has verified that notice of the application was properly served and met the requirements of K.A.R. 82-3-135a. Staff is satisfied the reasons articulated in the Application and the results of the casing integrity test are sufficient to support granting the Application.

WHEREFORE, for the reasons described above, Staff recommends that the Commission grant Operator's Application in the captioned docket.

Respectfully submitted,

/s/ Kelcey A. Marsh  
Kelcey A. Marsh, #28300  
Litigation Counsel | Kansas Corporation Commission  
266 N. Main, Suite 220 | Wichita, Kansas 67202-1513  
Phone: 316-337-6200 | Fax: 316-337-6211  
k.marsh@kcc.ks.gov

## **CERTIFICATE OF SERVICE**

23-CONS-3074-CEXC

I, the undersigned, certify that a true and correct copy of the attached Staff Recommendation on Application has been served to the following by means of electronic service on July 16, 2024.

MICHAEL MAIER  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 1  
210 E. FRONTVIEW SUITE A  
DODGE CITY, KS 67801  
michael.maier@ks.gov

KELCEY MARSH, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
CENTRAL OFFICE  
266 N. MAIN ST, STE 220  
WICHITA, KS 67202-1513  
kelcey.marsh@ks.gov

ROBERT J. McFADDEN, ATTORNEY  
FOULSTON SIEFKIN LLP  
1551 N. Waterfront Parkway  
Suite 100  
Wichita, KS 67206  
rmcfadden@foulston.com

JONATHAN R. MYERS, ASSISTANT GENERAL COUNSEL  
KANSAS CORPORATION COMMISSION  
266 N. Main St., Ste. 220  
WICHITA, KS 67202-1513  
jon.myers@ks.gov

ROBYN STALKFLEET, ADMINISTRATIVE SPECIALIST  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 1  
210 E. FRONTVIEW SUITE A  
DODGE CITY, KS 67801  
robyn.stalkfleet@ks.gov

KENNY SULLIVAN, DISTRICT #1 SUPERVISOR  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 1  
210 E. FRONTVIEW SUITE A  
DODGE CITY, KS 67801  
kenny.sullivan@ks.gov

/s/ Paula J. Murray  
Paula J. Murray

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