

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

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

In the matter of the application of SandRidge	)	Docket No. 14-CONS-933-CWLE
Exploration and Production, LLC for a well	)	
location exception for the James 3406 #2-4H	)	CONSERVATION DIVISION
well in Section 4, Township 34 South, Range	)	
<u>6 West, Harper County, Kansas.</u>	)	License No. 34192

**ORDER GRANTING APPLICATION**

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

**I. JURISDICTION**

1. K.S.A. 74-623 provides that the Commission has the exclusive jurisdiction and authority to regulate oil and gas activities.
2. K.A.R. 82-3-108(a) provides that the setback requirement for oil and gas wells shall be 330 feet from any lease or unit boundary line, except as provided in subsection (b) or (c).
3. K.A.R. 82-3-108(b) provides that an oil well drilled to a total depth of less than 2,000 feet in any of the following counties in eastern Kansas shall be subject to a setback of 165 feet from any lease or unit boundary: Allen, Anderson, Atchison, Bourbon, Brown Cherokee, Coffey, Crawford, Douglas, Elk, Franklin, Greenwood, Jackson, Jefferson, Johnson, Labette, Leavenworth, Linn, Lyon, Miami, Montgomery, Neosho, Osage, Shawnee, Wilson, Woodson, and Wyandotte. Further, wells drilled to a total depth of less than 2,500 feet in Chautauqua County are subject to the 165-foot setback.

4. K.A.R. 82-3-108(c) provides that the Commission may grant an exception to the well setback requirements if necessary either to prevent waste or protect correlative rights.

5. K.A.R. 82-3-207 states that a standard oil well drilling unit shall be 10 acres.

6. K.A.R. 82-3-312 states that a standard gas well drilling unit shall be 10 acres.

## **II. FINDINGS OF FACT**

7. SandRidge Exploration and Production, LLC (“Operator”) is currently licensed to conduct oil and gas activities in Kansas under K.S.A. 55-155.

8. On June 25, 2014, Operator filed an application requesting a well location exception and full allowable for the James 3406 #2-4H (“the subject well”), a proposed horizontal well to be drilled into the Mississippian formation in Harper County, Kansas.

9. Operator has verified that notice was properly served and published under K.A.R. 82-3-108(f) and K.A.R. 82-3-135a. No timely protest was filed under K.A.R. 82-3-135b.

10. The application states that the completion interval of the subject well will be less than 660 feet from an existing vertical well, namely the Clark #1-4. The existing vertical well is also operated by Operator, although it is not currently producing. In communications with Staff, Operator has stated that there is a high likelihood that it will plug the existing vertical well.

11. Operator states that it does not expect that the existing vertical well will be adversely affected by the granting of this application. Even if the existing vertical well is not plugged, any adverse impact on future production would be offset by additional production from the proposed subject well.

12. Staff recommends that Operator’s application should be granted to prevent waste and protect correlative rights.

### **III. CONCLUSIONS OF LAW**

13. The Commission has jurisdiction over Operator and this matter.

14. The application was filed in accordance with the rules and regulations of the Commission and in accordance with Kansas statutes.

15. Notice was properly served and published, and no protest was received.

16. Based on the available facts, the Commission concludes that the application should be granted to prevent waste.

#### **THEREFORE, THE COMMISSION ORDERS:**

A. Operator's application for a well location exception for the subject well under K.A.R. 82-3-108 and for the assignment of a full allowable is hereby granted.

B. This Order is a summary proceeding pursuant to K.S.A. 77-537, which provides in paragraph (b)(4) that summary proceedings are not effective until the time for requesting a hearing has expired. K.S.A. 77-542 provides that a request for hearing shall be filed within 15 days of any agency notice resulting in a right to request a hearing. If service of this Order is by mail, three days are added to the deadline. Any party taking an action permitted by this summary proceeding before the deadline for requesting a hearing has expired shall be deemed to have waived their right to a hearing pursuant to K.S.A. 77-504.

C. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 266 N. Main, Suite 220, Wichita, Kansas 67202. Pursuant to K.S.A. 55-606, K.S.A. 66-118b, and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action

permitted by this summary proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

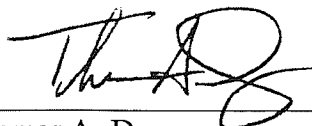
D. The Commission retains jurisdiction of the subject matter and the parties and may enter additional orders as it deems appropriate.

**BY THE COMMISSION IT IS SO ORDERED.**

Albrecht, Chair; Emler, Com.; Apple, Com.

Date: AUG 28 2014

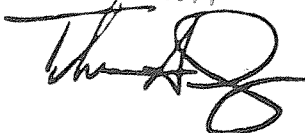
Date Mailed: 9/2/14

  
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Thomas A. Day  
Acting Executive Director

JRM

I CERTIFY THE ORIGINAL  
COPY IS ON FILE WITH  
The State Corporation Commission

AUG 28 2014



**CERTIFICATE OF SERVICE**

I certify that on 9/2/14, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

David E. Bengtson  
Stinson Leonard Street LLP  
1625 N. Waterfront Parkway, Suite 300  
Wichita, Kansas 67206  
*Attorney for SandRidge Exploration and Production, LLC*

And delivered by hand to:

Rene Stucky  
Conservation Division Central Office

/s/ Jonathan R. Myers  
Jonathan R. Myers  
Litigation Counsel  
Kansas Corporation Commission