

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

Before Commissioners: Shari Feist Albrecht, Chair
Jay Scott Emler
Dwight D. Keen

In the Matter of the Application of TGT)
Petroleum Corporation for an Exception)
to the 10-year time limitation of K.A.R.)
82-3-111 for its Wheeler F #1 well located)
In the SE/4 NW/4 of Section 34, Township)
27 South, Range 19 West, Kiowa County,)
Kansas.)

Docket No. 19-CONS-3003-CEXC
CONSERVATION DIVISION
License No. 5118

NOTICE OF APPLICATION

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

You are hereby notified that TGT Petroleum Corporation, has filed an Application with the Kansas Corporation Commission ("Commission") for an exception to the 10-year temporary abandonment time limitations of K.A.R. 82-3-111(b) for its Wheeler 'F' #1 oil well located in the C SE/4 NW/4 of Section 34-T27S-R19W, Kiowa County, Kansas. The Wheeler 'F' #1 is located on an active oil and gas lease covering the SE/4 NW/4 of said section 34.

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 the applicant listed below. All parties in any way interested or concerned shall take notice of the foregoing and govern themselves accordingly.

TGT Petroleum Corporation
Aaron Herington, President
7570 W. 21st N.
Bldg. 1046, Ste A
Wichita, KS 67205
Office (316) 773-2266
Fax (316) 773-2947

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<u>Kansas.</u>)	License No. 5118

APPLICATION

TGT Petroleum Corporation ("Applicant") requests, pursuant to K.A.R. 82-3-100(b), that the Commission enter an order granting an exception to the 10-year temporary abandonment time limitations set forth in K.A.R. 82-3-110(b) for its Wheeler 'F' #1 well located in Kiowa County, Kansas. In support of its application Applicant states as follows:

1. Applicant is a California corporation authorized to do business in the State of Kansas. Applicant's address is 7570 W. 21st N. Bldg. 1046, Ste A, Wichita, KS 67205.
2. The Commission has issued Applicant oil and gas operator's license number 5118, which is in full force and effect through June 30, 2019.
3. Applicant is the owner and the operator of the Wheeler 'F' #1 well, API # 15-097-21577 ("Subject Well"), which is located in the center of the Southeast Quarter of the Northwest Quarter (C SE/4 NW/4) of Section 34, Township 27 South, Range 19 West, Kiowa County, Kansas. The Subject Well is located on an active oil and gas lease comprised of the following lands:

The Southeast Quarter of the Northwest Quarter (SE/4 NW/4) of Section 34, Township 27 South, Range 19 West, Kiowa County, Kansas.

4. Pursuant to K.A.R. 82-3-111, the Subject Well was shut-in on January 1, 2007, and has remained shut-in and in temporarily abandoned status since that time.

5. On June 5, 2018, the Commission notified Applicant that temporary abandonment status for the Subject Well would be denied from and after July 3, 2018, because Subject Well had been temporarily abandoned for more than 10 years.

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

7. On June 28, 2018, the Subject Well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within 50 feet above the uppermost perforation or open hole in the well.

8. Applicant wishes to continue temporary abandonment status for the Subject Well, because Applicant believes additional oil and gas reserves can be recovered from the Subject Well. Specifically, Applicant intends to re-complete the Subject Well in one or more formations not previously opened utilizing new completion methods to test for additional oil and gas reserves.

9. Applicant submits the following information in support of its application.

- a) There are 5 wells within 1/2-mile of the Subject Well, of which 4 are producing and 1 is temporarily abandoned. These wells shall be referred to herein as the "offset wells."
- b) Current production from the offset wells that are producing is 7.11 BOPD and 82 mcf/d. These wells produce from one or more of the formations Applicant intends to re-complete and test within the Subject Well.

- c) Applicant estimates it will cost approximately \$10,000 to plug and abandon the Subject Well.
- d) The recent increase in oil prices makes it economic to attempt to re-complete the Subject Well in other formations.
- e) If the re-completion efforts are successful, Applicant estimates that production from the Subject Well could be 5-10 BOPD and 20 mcf/d. Applicant estimates total reserves of 40,000 barrels of oil and 300,000 mcf gas could be recovered from the Subject Well if re-completion efforts are successful. These estimates are based on oil and gas production from the offset wells.
- f) Applicant estimates the total cost to attempt to re-complete the Subject Well in one or more new formations will be approximately \$40,000.

10. For the foregoing reasons, it is economic to attempt to re-complete the Subject Well, rather than plug and abandon it. The value of estimated recoverable oil and gas reserves far exceeds the cost to plug and abandon the Subject Well, and plugging the Subject Well would result in unnecessary waste of oil and gas reserves. As such, granting the application is necessary to prevent waste and to protect the correlative rights of Applicant.

11. Applicant has included a plat map showing the locations of all producing, injection, temporarily abandoned, abandoned, and plugged wells located within 1/2-mile from the Subject Well, which is attached as Exhibit "B."

12. Based on the foregoing, Applicant requests that the Commission grant an exception to the 10-year limitation to allow the Subject Well to remain eligible for temporary abandonment status for 3 additional years from the date this application is approved. Applicant understands that

the exception would be valid for 3 years, but Applicant would still need to apply annually to the Conservation Division District Office for temporary abandonment status.

13. Listed in the attached Exhibit "A" are the names and addresses of operators or lessees and unleased mineral owners within 1/2-mile of the Subject well that Applicant has been able to identify after reasonable search and inquiry. Exhibit "B" depicts the leases within 1/2-mile of the Subject Well and the operator of those leases. Notice of this Application will be published in the *Wichita Eagle* and the *Kiowa County Signal*, the official newspaper of Kiowa County, Kansas. Each publisher's affidavit will be provided to the Commission upon Applicant's receipt from the publisher. As such, notice of this application will be compliant with K.A.R. 82-3-135a, and be lawful and proper in all respects.

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 10-year limitation, to allow the Subject Well to remain temporarily abandoned for 3 additional years, subject to annual approval by the Conservation Division District Office of an application for temporary abandonment status.

Respectfully submitted,

TGT Petroleum Corporation

By: 

Aaron Herrington, President

7570 W. 21st N.

Bldg. 1046, Ste A

Wichita, KS 67205

Office (316) 773-2266

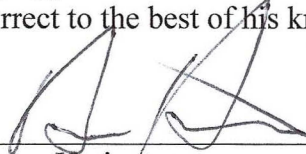
Fax (316) 773-2947

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

Aaron Herrington, the President of TGT Petroleum Corporation being of lawful age and being first duly sworn upon his oath, deposes and says:

That he has read the above and forgoing Application and is familiar with the contents and that the statements made therein are true and correct to the best of his knowledge and belief.



Aaron Herrington

SUBSCRIBED AND SWORN to before me this 2nd day of July, 2018.



Notary Public

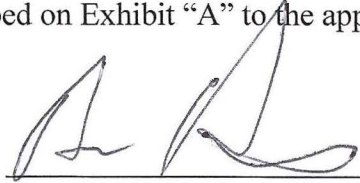
My Appointment expires:

1/24/21



CERTIFICATE OF SERVICE

I, Aaron Herington, hereby certify that on this ____ day of July, 2018, I caused the original of the foregoing application 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 described on Exhibit "A" to the application.



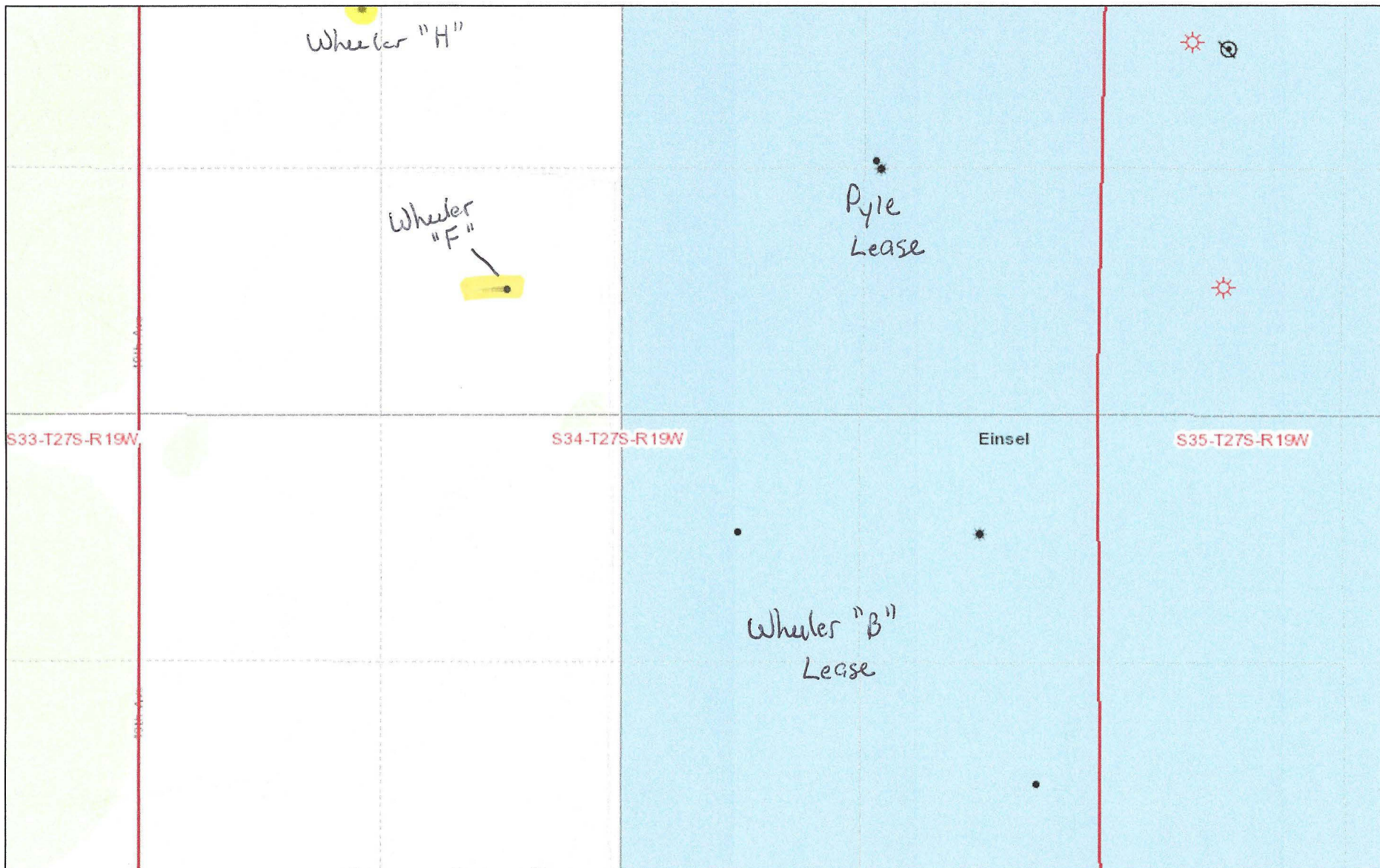
Aaron Herington

Exhibit "A"

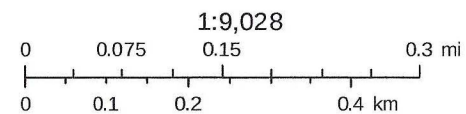
Unleased Mineral Owners and Operators within 1/2-mile of the Subject Well

None, other than Applicant

Exhibit "B"
Plat



July 2, 18



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri