Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 67202-1513

Pat Apple, Chairman Shari Feist Albrecht, Commissioner Jay Scott Emler, Commissioner 2017-04-25 08:21:13 Kansas Corporation Commission /s/ Amy L. Green

> Phone: 316 337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Sam Brownback, Governor

April 25, 2017

Casillas Petroleum Corp. (KCC License #34997) c/o David E. Bengtson Stinson Leonard Street LLP 1625 N. Waterfront Parkway, Suite 300 Wichita, Kansas 67206

Re: Your Application of March 9, 2017 K.A.R. 82-3-140, K.A.R. 82-3-900, and K.S.A. 79-4217(b)(2)(C) Docket Number 17-CONS-3512-CMSC CER #0317001

Operator:

This letter acknowledges receipt of your application for certification of a tertiary recovery project pursuant to K.A.R. 82-3-140. Your application has been approved and has been given KCC Certification Number CER 0317001.

Under K.A.R. 82-3-900, any operator seeking exemption from the severance tax provisions pursuant to K.S.A. 79-4217 shall submit an application to the director of the conservation division. Staff has determined, therefore, that your application would have more appropriately been submitted to the director, rather than being docketed for formal Commission legal proceedings. Since the distinction is one of form rather than substance, however, I shall consider the application as being submitted to me.

Noting appropriate publication pursuant to K.A.R. 82-3-140 and K.A.R. 82-3-135a, and the lack of a protest pursuant to K.A.R. 82-3-135b, Staff has reviewed your application and has determined that the project appears to qualify for an exemption to the mineral severance tax pursuant to K.S.A. 79-4217(b)(2)(C), to the extent production results from the proposed tertiary recovery process.

Staff believes this fully resolves your application, and will cause this letter to be filed in KCC Docket #17-CONS-3512-CMSC as a means of closing formal Commission legal proceedings.

Sincerely,

Ryan A. Hoffman, Director Conservation Division Kansas Corporation Commission

