

SEP 24 2019

CONSERVATION DIVISION
WICHITA, KS

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

In the matter of the Application of Canaday)
Oil Corporation for an exception to the)
10-year time limitation of K.A.R. 82-3-111)
For its Irons Unit #1-8 Well located in the)
Southwest Quarter (SW/4) of Section 8,)
Township 30 South, Range 24 West,)
Clark County, Kansas)
_____)

Docket No. 20-cons-3094-CExc

CONSERVATION DIVISION

License No. 5303

APPLICATION

COMES NOW Canaday Oil Corporation ("Applicant") and for its Application herein
states as follows:

1. Applicant is a Kansas Corporation with its correct post office address being 2407
Saint Andrew St, Goddard, Kansas 67052.

2. Applicant holds valid Kansas Oil and Gas Operator's License Number 5303.

3. Applicant is the owner and operator of the Irons Unit #1-8 well, API Well
Number 15-025-21013-00-00, which is located in the West Half (W2) of the West Half (W2) of
the Southwest Quarter (SW/4) Section 8, Township 30 South, Range 24 West, Clark County,
Kansas. The Irons Unit is on an active oil and gas lease comprised of the following lands:

Southwest Quarter Section 8, Township 30 South, Range 24 West
Clark County, Kansas

4. Pursuant to K.A.R. 82-3-111, Applicant obtained temporary abandonment status
for the Irons Unit in January 2009, and has maintained such status to the present date.

5. On or about September 10, 2019, the Kansas Corporation Commission notified Applicant that temporary abandonment status for the said well would be denied from and after October 8, 2019 because the well has been temporarily abandoned for more than ten (10) years.

6. K.A.R. 82-3-111 imposes a ten-year limitation on the length of time during which wells may be temporarily abandoned and provides that an exception to the ten-year limitation may be obtained by an Application filed with the Commission in accordance with K.A.R. 82-3-111. Applicant herewith seeks such an exception.

7. On, to be completed, the subject well will pass a Commission Staff approved mechanical integrity test of the casing between the surface and point within fifty (50) feet above the uppermost perforation or open hole in the well.

8. Applicant wishes to continue the temporarily abandoned status for the said well to permit completion of a waterflood unitization. The Irons Unit #1-8 Well is critical to the waterflood project and ultimate oil recovery. Applicant owns and operates other wells located directly to the north and south of the Irons Unit #1-8 which would also be included in the waterflood project. If this Application is granted, Operator intends to continue the unitization process which includes the Irons Unit #1-8 Well. The Plan of Unitization and the Waterflood and Unitization Study have both been completed and sent to all working interest and all mineral owners. Ninety-five percent (95%) of the working interest owners and twenty percent (20%) of the mineral owners have ratified the Plan. Canaday Oil expects the necessary ratification approval then will proceed with the project. Applicant estimates that the expense to plug the well would be approximately \$15,000 and the expense to drill and complete a replacement well would cost approximately \$450,000. If the well is required to be plugged, the expense of

plugging the existing well and then drilling the replacement well would likely render the waterflood project uneconomic. Therefore, the granting of this Application would prevent physical and economic waste while protecting correlative rights.

9. Applicant submits the following information regarding the well in support of the Application.

There are currently 2 wells on this lease, one shut in and one oil well producing 2 BOPD. This lease will be included in the waterflood.

Primary production from this 2 well lease is 97,400 BO and secondary recovery reserves should approach that number.

This well is to be an oil producer in the waterflood.

Attached is a plat of the Irons 1-8 and surrounding wells.

10. Applicant requests that the Commission grant an exception to the ten-year limitation to allow the subject well to remain eligible for temporary abandonment status for three (3) years following the expiration of the current ten-year limitation extension. Applicant understands that the exception would be valid for three (3) years but that Applicant would still need to apply annually to the Conservation Division District Office for approval of an application of temporary abandonment status.

11. Attached here and marked Exhibit 'B' are the names and address of all operators and mineral owners located within one-half mile of the subject well.

12. Notice of this Application will be published as required by K.A.R. 82-3-135a.

WHEREFORE, Applicant prays that this matter be granted administratively without a hearing or in the alternative be set for hearing and thereafter that the Commission enter its Order granting an exception to the ten-year temporary abandonment status set out in K.A.R. 32-3-111 and to allow the well to remain temporarily abandoned for three (3) additional years.

Respectfully submitted,

CANADAY OIL CORPORATION
2407 Saint Andrew St
Goddard, KS 67052

By 
G. M. Canaday

918.645-4150 Phone
918.592-0843 Fax

CERTIFICATE OF SERVICE

I hereby certify on this 23rd day of September, 2019, true and correct copies of the foregoing Application were served by depositing copies of the same in the United States Mail, postage prepaid and properly addressed, to the operators and mineral owners identified in Exhibit B and referenced in Paragraph 11 of the foregoing Application, and the original and four (4) copies were sent via FedEx overnight to the Kansas Corporation Commission.


G. M. Canaday

VERIFICATION


STATE OF OKLAHOMA)
) ss:
COUNTY OF TULSA)

G. M. Canaday, of lawful age, having been first duly sworn upon my oath, state that I have read the foregoing Application and that the statements contained therein are true and correct to the best of my knowledge and belief.


G. M. Canaday

STATE OF OKLAHOMA)
) ss:
COUNTY OF TULSA)

SUBSCRIBED and SWORN to before me on this 23rd day of September, 2019.


LESLIE L. ANDERSON

My Commission Expires:



EXHIBIT B

OPERATORS AND MINERAL OWNERS WITHIN ONE-HALF MILE OF THE IRONS UNIT #1-8

Karen L. Byerley
515 Amethyst Avenue
Stillwater, OK 74075

Louise West
P. O. Box 475
Minneola, KS 67865

Darren Irons
2001 Worthington Lane
Edmond, OK 73013

Daryl Barnes
401 CR 9
Minneola, KS 67865

John Bair
3408 Syler Drive
Hutchinson, KS 67502

Joyce Bria
ADDRESS UNKNOWN

Billy Irons
4001 N. E. Channel Dr.
Lees Summit, MO 64064-1530

Kerry Irons
2712 Cresthill Circle
Waco, TX 76710-1016

Linda Mahieu & Edward
912 W. Beason Road
Dodge City, KS 67801

Mark Mahieu & Michele
304 CR 7
Minneola, KS 67865

Alice & John O'Brien
P. O. Box 81
Newfields, NH 03858

Canaday Oil Corporation (*only Operator*)
2407 Saint Andrew St
Goddard, KS 67052