

FEB 07 2018

CONSERVATION DIVISION
WICHITA, KS

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

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

In the matter of the Application of SEK Energy, LLC ("Operator") for an exception to the 10-year time limitation of K.A.R. 82-3-111 for its Marler, Richard #1-16 well located in the SE/4 of Section 16, Township 30 South, Range 16 East, Wilson County, Kansas.

Docket No. ~~16-CONS-~~ 18-CONS-3316-CEXC ~~CEXC~~

CONSERVATION DIVISION

License No.: 33739

APPLICATION

COMES NOW SEK Energy, LLC ("Applicant") in support of its Application in the captioned matter and states as follows:

1. Applicant is a LLC authorized to do business in the State of Kansas. Applicant's address is 149 Benedict Road, Benedict, KS 66714.

2. Applicant has been issued by the Kansas Corporation Commission Operator's License #33739, which expires on 02/28/2018.

3. Applicant is the owner and operator of the Marler, Richard #1-16 well, API No. 15-205-27086-0000 ("the subject well"), which is located in the Northeast Quarter of the Northeast Quarter of the Southeast Quarter of Section 16, Township 30 South, Range 16 East, Wilson County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands:

See Attached Exhibit "A"

4. Pursuant to K.A.R. 82-3-111, the well was shut in, or Applicant obtained temporary

abandonment status, for the subject well on 01/31/2007. The subject well has maintained such status from 01/31/2007, to the present date.

5. On or about 04/21/17, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after 01/31/17, because subject well had been temporarily abandoned for more than ten (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. The subject well is capable of passing a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within fifty (50) feet above the uppermost perforation or open hole in the well.

8. Applicant wishes to continue TA status for the subject well, because Applicant intends to use the well for the following purpose: To be completed as oil/gas well

9. Applicant submits the following information regarding the well in support of the Application. See attached Exhibit "B"

10. Applicant has included a plat map showing the locations of all producing, injection, temporarily abandoned, abandoned, and plugged wells located on the same leased premises as the subject well.

11. Based on the foregoing, Applicant requests the Commission grant an exception to the 10-year limitation, specifically to allow the subject well to remain eligible for temporary abandonment status for three (3) years following the expiration of the 10-year limitation.

Applicant understands that the exception would be valid for three (3) years, but Applicant would still need to apply annually to the Conservation Division District Office for approval of an application for temporary abandonment status.

12. Listed in the attached Exhibit "C" are the names and addresses of the following persons:

- A. Each operator of each oil and gas lease covering lands within one-half (1/2) mile radius of the subject well; and
- B. Each person who owns any mineral interest of record in and under any lands located within one-half (1/2) mile radius of subject well (provided that such mineral interest is not covered by any oil and gas lease).

13. Notice of this Application will be published pursuant to K.A.R. 82-3-135a. In addition, notice of the hearing to be held in this matter will be provided as prescribed by K.A.R. 82-3-135.

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 ten (10) year limitation, to allow the subject well to remain temporarily abandoned for three (3) years, subject to annual approval by the Conservation Division District Office of an application for temporary abandonment status.

Respectfully Submitted,

SEK Energy, LLC
P.O.Box55
620-698-2150
620-698-2180

By

Douglas Lamb

CERTIFICATE OF SERVICE

I hereby certify on this 15th day of January, 2018, true and correct copies of the above and foregoing Application and the Notice of Application were served by depositing copies of the same in the United States Mail, postage prepaid, and properly addressed to the landowner/s set forth in paragraph 12 of said Application and each party set forth in Exhibit "C" attached to said Application filed by Applicant, and the original and seven (7) copies were hand delivered to the Kansas Corporation Commission.

Douglas Lamb

OIL AND GAS LEASE

Exhibit "A"

To

Oil and Gas Lease

A parcel of land lying in the SE $\frac{1}{4}$ of Sec. 16, Twp. 30, Range 16 East, described by the following metes and bounds: Beginning at a point 443 feet West of the Southeast corner of Section 16, said point being on the West right-of-way line of U. S. Highway No. 75, thence West 455 feet, thence North 750 feet, thence East 814 feet to the West line of U. S. Highway No. 75, thence Southwesterly along the West line of said highway on a curve to the right, radius of which is 1869.9 feet for a distance of 838.75 feet to the point of beginning

Beginning at a point 30 feet West of the N.E. Corner of the S.E. $\frac{1}{4}$ of Section 16, Township 30S, Range 16E, thence Southerly along highway right-of-way 1888.3 feet, thence West 783.6 feet, thence South 750 feet, thence West 791 feet, thence North 2662 feet, thence East 1659 feet to point of beginning, containing 85.45 acres, more or less.

397. Wilson County
Register of Deeds
Book: 293 Page: 125
Receipt #: 7517 Total Fees: \$20.00
Pages Recorded: 4
Date Recorded: 2/17/2006 11:41:37 AM

Teressa A. Young *RECORDED*



ORIGINAL COMPARED WITH RECORD

Kansas Oil and Gas

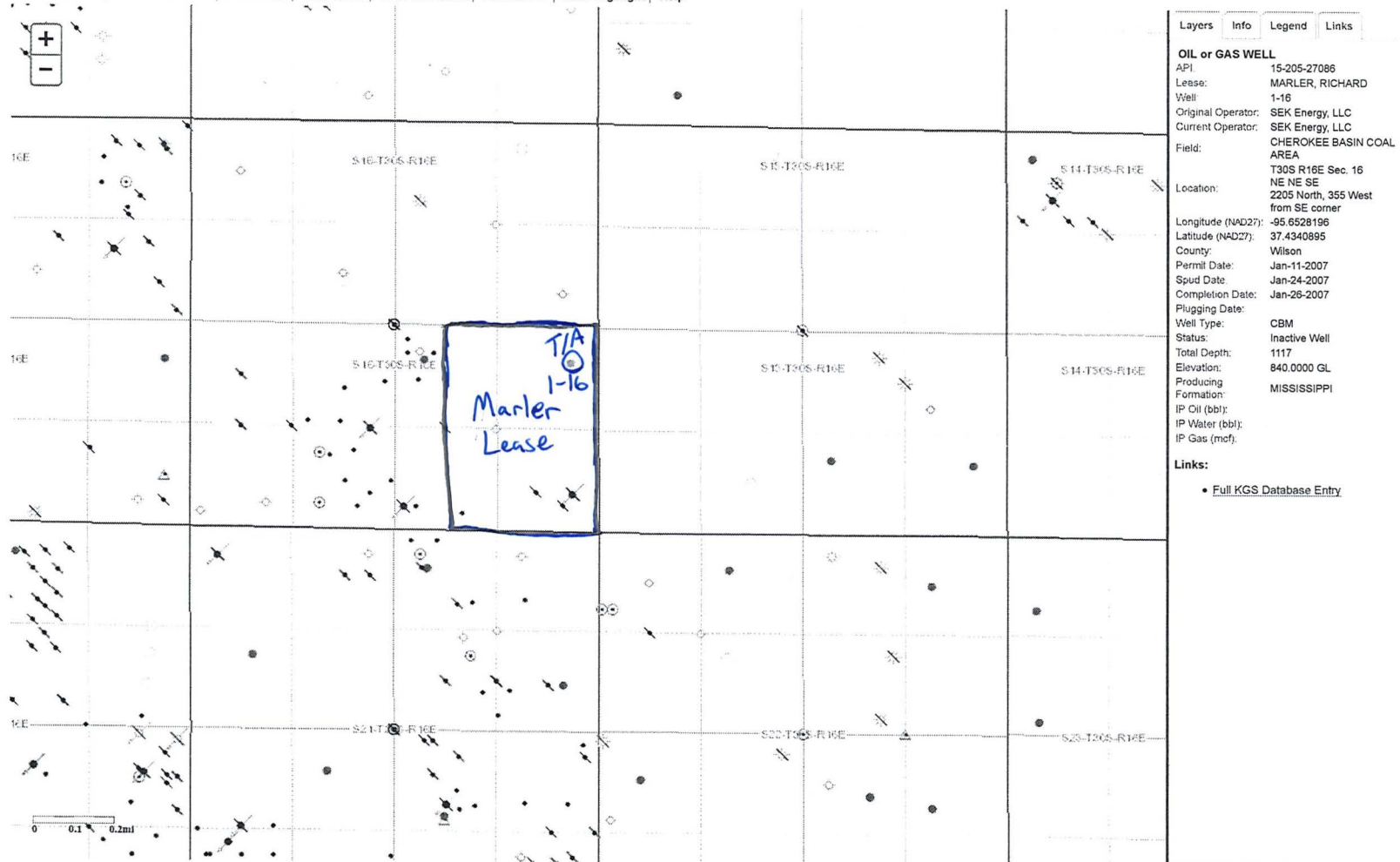
Statewide View | [Zoom to Location](#) | [Filter Wells](#) | [Label Wells](#) | [Download Wells](#) | [Print to PDF](#) | [Clear Highlight](#) | [Help](#)

Exhibit "B"

Information in Support of the Application to Extend TA status

- a. There is a total of 1 wells on the lease which is this T/A CBM gas well.
- b. SEK estimates that it would cost approximately \$5,000 to plug this well.
- c. The Marler, Richard lease has no current production
- d. We estimate the remaining gas reserves to be 100k+ Mcf. The 100k+ Mcf gas reserves is a conservative estimate based on 100k+ MCF cumulative average for potential gas wells to be completed on the lease in the future. Other nearby gas wells have cumulative production of this amount over 10 year period.
- e. This well has been drilled, cased and cemented to surface. To place the well into service will require perforating, fracking, downhole equipment, wellsite equipment, installing electric, and mainly installing water/gas flowlines.
- f. SEK has invested over \$64,000 thus far and estimates that it will cost between \$60,000-\$75,000 to finish putting the well into service.

Exhibit "C"

SEK Energy, LLC
P.O. Box 55
Benedict, KS 66714

A. Operators

1. **Johnson Dozer Service**, 17400 410 Rd., Neodesha, KS 66757-1214
2. **LR Energy, Inc.**, 8150 N. Central Expy. Ste. 1605, Dallas, TX 75206
3. **Lakeshore Operating, LLC**, 23 ½ E. Madison Ave. Suite A, Iola, KS 66749

B. Landowners

1. **Ronald & Susan Johnson**, 17400 410 Rd., Neodesha, KS 66757
2. **Richard & Debra Bradford**, 14373 Viola Rd., Chanute, KS 66720
3. **Don & D'ann Adams**, 17147 Bethel Rd., Neodesha, KS 66757
4. **Richard & Gail Marler**, 17704 410 Rd., Neodesha, KS 66757
5. **Irvine James A Etal.**, 3896 Queen Rd., Neodesha, KS 66757
6. **Lloyd Piquard**, 17567 475 Rd., Neodesha, KS 66757
7. **Deer Revocable Trust**, 223 N. 4th Street, Neodesha, KS 66757
8. **Melvin & Jean Hare**, 3321 Reno Rd., Neodesha, KS 66757
9. **Robert Hare**, 1208 N. 5th St., Neodesha, KS 66757
10. **Bradley Barrett**, 3727 Reno Rd., Neodesha, KS 66757