

**BEFORE 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 Benjamin)	Docket No. 17-CONS- <u>3443</u> -CEXC
M. Giles for an Exception to the 10-year      )	
time limitation of K.A.R. 82-3-111 for        )	CONSERVATION DIVISION
his Whipple #2 well located in Section 7,    )	
Township 26 South, Range 5 East, Butler    )	License No. 5446
County, Kansas.                                    )	

**APPLICATION FOR EXCEPTION.**

COMES NOW Benjamin M. Giles (“Giles”), by and through his legal counsel, and files with the State Corporation Commission of the State of Kansas (“Commission”) this Application pursuant to K.A.R. 82-3-100(b) requesting an exception to the ten-year temporary abandonment time limitation set forth in K.A.R. 82-3-111(b) (“Application”) for his Whipple #2 well located in Butler County, Kansas. In support of his Application, Giles states as follows:

1.      Giles is a sole proprietorship who has a mailing address of 346 S. Lulu, Wichita, Kansas, 67211.
2.      The Commission has issued Giles oil and gas operator’s License No. 5446, which is in full force and effect through July 30, 2017.
3.      Giles is an owner and the operator of the Whipple #2 oil well (“Subject Well”), API #15-015-19480, located in the Northwest Quarter of the Northwest Quarter of the Northeast Quarter (NW/4 NW/4 NE/4) of Section 7, Township 26 South, Range 5 East, Butler County, Kansas. The Subject Well is located on an active oil and gas lease containing five other producing oil wells, which wells are depicted on Exhibit A, attached hereto.

4. At the time Giles acquired the Whipple lease from the previous operator the Subject Well was shut-in. To Giles' knowledge, the Subject Well has not previously been granted temporary abandonment status pursuant to K.A.R. 82-3-111. Giles has assumed control of the Subject Well.

5. On December 9, 2016, Giles submitted a temporary abandonment well application for the Subject Well through the KOLAR system. By letter to Giles dated the same day Commission staff denied the temporary abandonment application on the basis that the Subject Well had been shut-in for more than 10 years. Receipt of this letter from Commission staff prompted Giles to file this Application.

6. K.A.R. 82-3-111(b) states that a well shall not be eligible for temporary abandonment status if the well has been shut-in for 10 years or more without an application for an exception pursuant to K.A.R. 82-3-100 and approval by the Commission. Giles asks the Commission to grant him such an exception for the Subject Well.

7. Giles requests temporary abandonment status for the Subject Well so that he may be afforded time to reenter the Subject Well and attempt to deepen it. The Subject Well was originally drilled to and completed in the top of the Arbuckle formation. Giles intends to reenter and deepen the Subject Well to test two structurally lower zones in the Arbuckle formation for commercial quantities of oil. These two lower zones have not previously been explored within the Subject Well.

8. Giles believes approximately 35,000 barrels of oil could be recovered by deepening the Subject Well to the lower zones within the Arbuckle formation. This belief is based upon the results from reentering and deepening other wells in the vicinity of the Subject Well that were originally only drilled to and completed in the top of the Arbuckle formation, including wells that

Giles has reentered and deepened in the Arbuckle formation. The estimated cost to plug the Subject Well is \$42,000. This estimate is based upon the costs Giles incurred plugging the Higgins #3 well, a similarly situated well Giles operated in the vicinity.

9. Granting temporary abandonment status to the Subject Well is necessary to prevent waste. If the Subject Well were plugged, potentially recoverable oil reserves from lower zones within the Arbuckle formation would be wasted. The proposed operation at the Subject Well is economic because the value of oil reserves Giles believes he may recover through reentry and deepening operations greatly exceeds the expected cost of such operation and the cost of plugging the Subject Well. Additionally, other wells in the vicinity produce from lower zones within the Arbuckle formation, so the proposed operation is necessary to protect the correlative rights of Giles, and the other working interest and royalty owners of the Whipple lease.

10. The Subject Well presents no threat to fresh and useable water. The most recent casing fluid level test taken November 18, 2016 showed fluid in the Subject Well to be 576' from surface, below the base of the fresh and usable water table. Long-string casing is cemented to 2,444', further protecting fresh and usable water.

11. A casing pressure test has not yet been performed on the Subject Well. There is junk in the hole preventing Operator from testing the casing from surface to a point within 50' from the uppermost perforation in the Subject Well. In order to conduct the casing pressure test Giles will first need to remove the junk from the hole. Once the junk is removed, Giles will see that a casing pressure test is promptly performed on the casing of the Subject Well.

12. For the reasons set forth above, Giles requests the Commission grant an exception pursuant to K.A.R. 82-3-100(b) and allow the Subject Well to remain eligible for temporary abandonment status for a period of three years following the granting of this Application. If the

Subject Well were to remain shut-in during this three year period, Giles would annually make temporary abandonment applications to the Conservation Division District Office.

13. Plat maps showing the location of all producing, injection, temporarily abandoned, abandoned and plugged wells located within 1/2-mile of the Subject Well are attached as Exhibit A.

14. Attached as Exhibit B is a list of all operators or lessees and unleased mineral owners within 1/2-mile from the Subject Well whose names and addresses Giles has been able to determine after reasonable search and inquiry. Exhibit A includes a map depicting the leases within 1/2-mile of the Subject Well and the operator of those leases. Notice of this Application is being provided to all persons identified on Exhibit B, and will be published in the *Wichita Eagle* and the *The Butler County Times Gazette*, the official newspaper for Butler County, Kansas. A true and correct copy of the Notice of Application to be published is enclosed herewith. Each publisher's affidavit will be provided to the Commission upon Giles' 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, Giles prays that this Application be docketed by the Commission and, if no written protest is received by the Commission within 15 days after Notice of the Application is published and has been duly provided to all interested parties, administratively grant Giles' exception request without incurring the cost and burden associated with a formal hearing and allow the Subject Well to remain eligible for temporary abandonment status pursuant to K.A.R. 82-3-111 for 3 additional years, provided annual applications for temporary abandonment status are submitted and approved by the appropriate Conservation Division District Office while the Subject Well remains shut-in. In the event a timely and proper protest is filed, Giles requests that the

Commission set this Application for hearing and upon such hearing grant the requested order, and afford such other and further relief as the Commission deems necessary and proper.

Respectfully submitted,

MORRIS, LAING, EVANS, BROCK  
& KENNEDY, CHARTERED

By: 


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*Attorneys for Benjamin M. Giles*

**VERIFICATION**

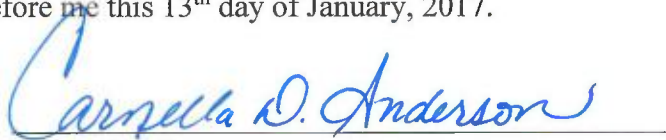
STATE OF KANSAS                     )  
  ) ss:  
COUNTY OF SEDGWICK            )

Jonathan A. Schlatter, being of lawful age and being first duly sworn upon his oath, deposes and says:

That he is the attorney for Benjamin M. Giles; 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.

  
\_\_\_\_\_  
Jonathan A. Schlatter

SUBSCRIBED AND SWORN to before me this 13<sup>th</sup> day of January, 2017.

  
\_\_\_\_\_  
Notary Public

My Appointment expires:  
*June 17, 2019*



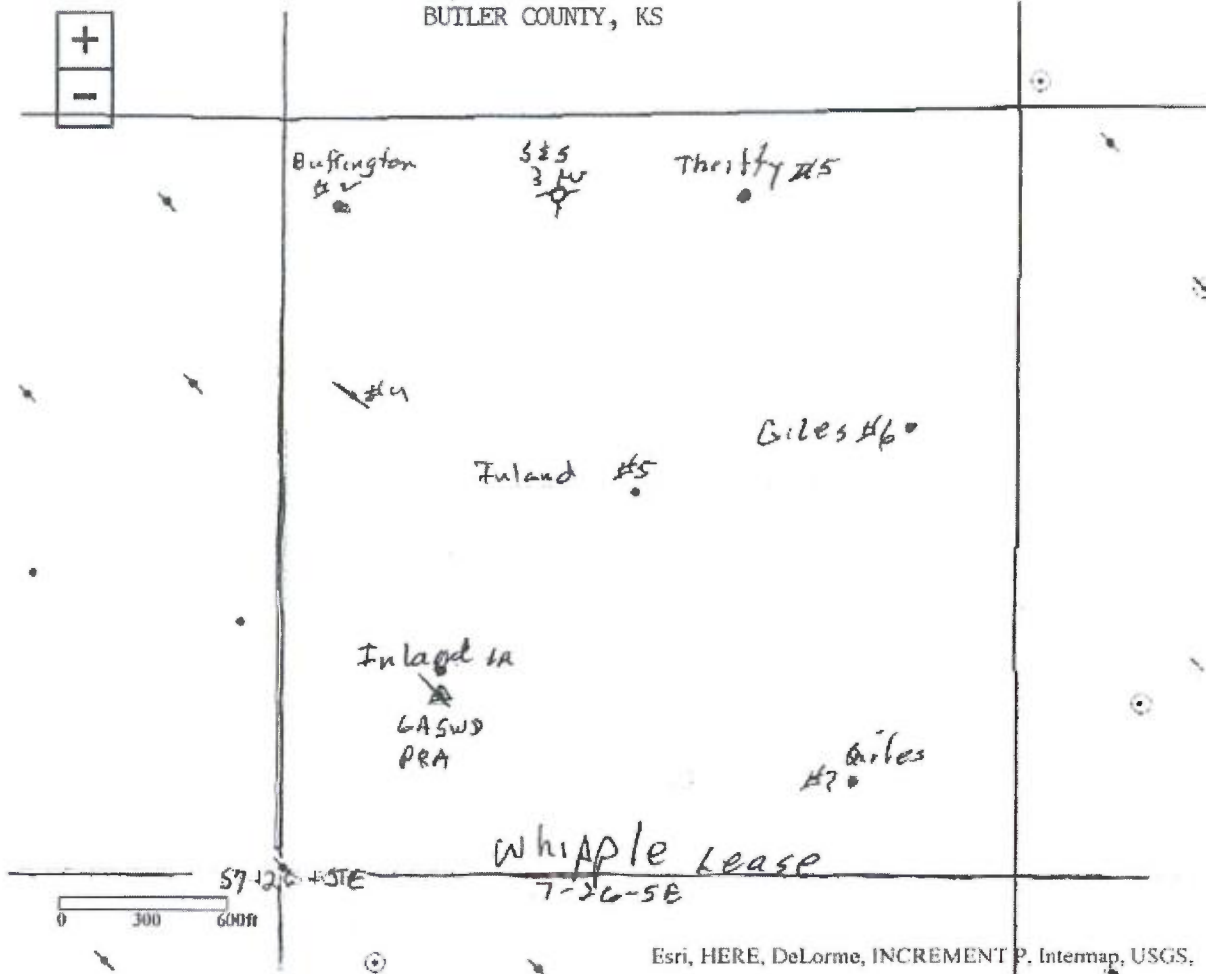
**CERTIFICATE OF SERVICE**

I, Jonathan A. Schlatter, hereby certify that on this 13<sup>th</sup> day of January, 2017, I caused the original of the foregoing Application with the attached "Exhibit A" and "Exhibit B" 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, first class, postage prepaid, and properly addressed to the parties listed on "Exhibit B" to the Application.

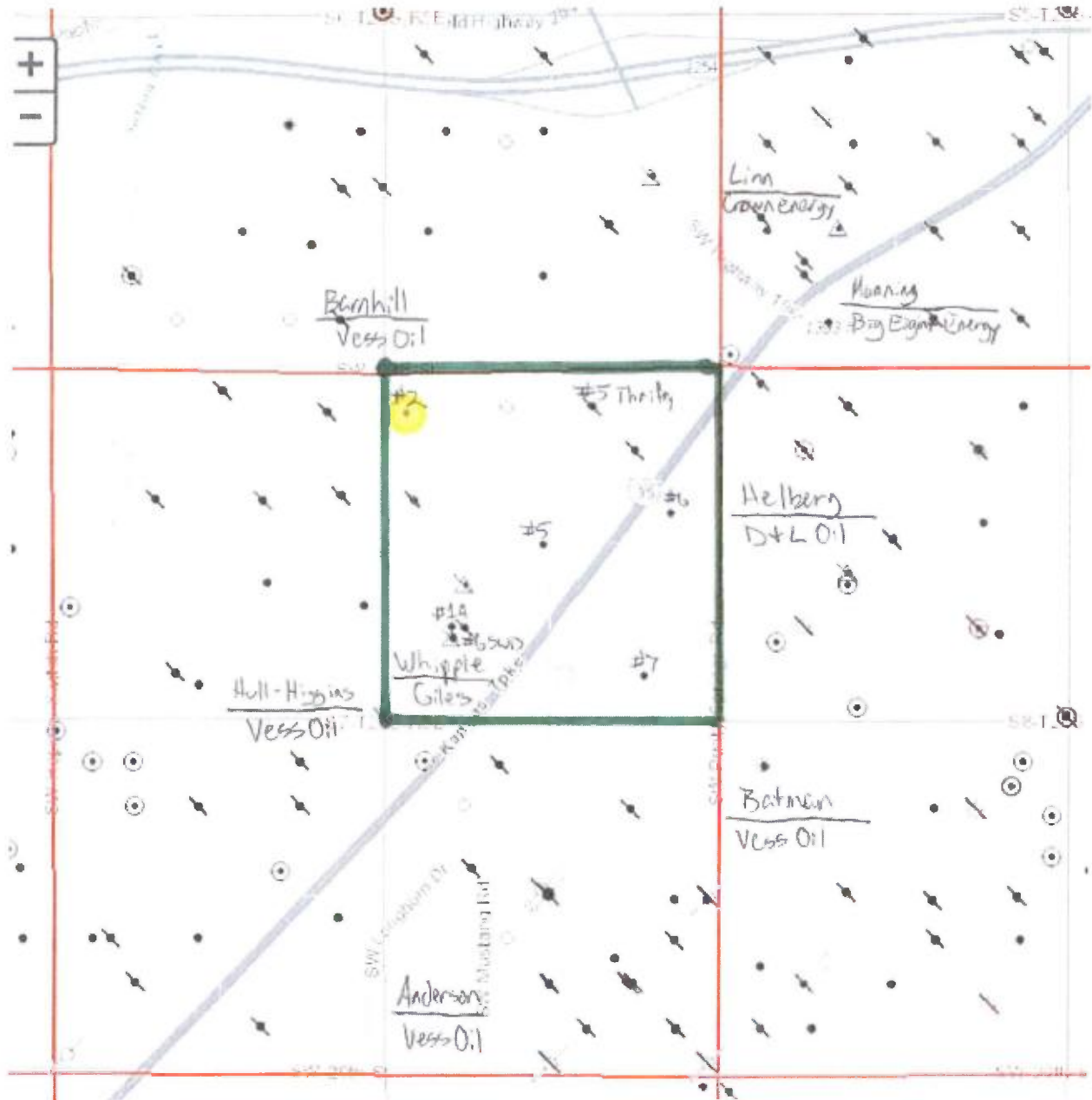
  
\_\_\_\_\_  
Jonathan A. Schlatter, #24848

"Exhibit A"  
17-CONS-\_\_\_-CEXC

WHIPPLE LEASE  
NE/4 7-26-5E  
BUTLER COUNTY, KS



"Exhibit A"  
(cont.)  
17-CONS-\_\_\_-CEXC



**“Exhibit B”**  
**15-CONS-218-CEXC**

Vess Oil Company  
1700 N. Waterfront Pkwy, Bldg 500  
Wichita, KS 67206-6619

D & L Oil, LLC  
10066 SE Pawnee Rd.  
Leon, KS 67074

Big Eight Energy, LLC  
PO Box 75247  
Wichita, KS 67275

Crown Energy Company  
1117 NW 24<sup>th</sup> St.  
Oklahoma City, OK 73106