

JUL 30 2014

CONSERVATION DIVISION
WICHITA, KS

2014.08.04 16:13:22
Kansas Corporation Commission
/S/ Thomas A. Day

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

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

In the matter of the application of Berexco)
LLC for an exception to the 10-year)
time limitation of K.A.R. 82-3-111 for its)
Chrisler-Elliott #3 well located in)
the NW NE NE of Sec 12, T11S, R16W)
Ellis County, Kansas.)
_____) Docket No. ¹⁵~~14~~-CONS-¹¹⁹-CEXC
CONSERVATION DIVISION
License No.: 34318

APPLICATION

COMES NOW Berexco LLC ("Operator") for its application in the captioned matter states as follows:

1. Operator is a limited liability company authorized to do business in the State of Kansas. Operator's address is 2020 North Bramblewood, Wichita, Kansas 67206.
2. Operator has been issued by the Kansas Corporation Commission Operator's License #34318, which expires on October 30, 2014.
3. Operator is the operator of the Chrisler-Elliott #3 well, API #15-051-01722-0001 which is located in the Northwest Quarter of the Northeast Quarter of the Northeast Quarter of Section 12, Township 11 South, Range 16 West, Ellis County, Kansas. The subject well is located on an active oil and gas unit comprising the following lands:

The South Half of the Southeast Quarter of Section 1, the East Half of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 12, all in Township 11 South, Range 16 West, Russell County, and the Southwest Quarter of Section 6 and all of Section 7, all in Township 11 South, Range 15 West, Ellis County, Kansas.

4. Pursuant to K.A.R. 82-3-111, Operator obtained temporary abandonment status for the Chrisler-Elliott #3 effective May 1, 2000. The subject well has maintained such status from May 2000 to the present date.

5. 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 regulations through an application filed with the Commission pursuant to K.A.R. 82-3-100.

6. Operator filed for and was granted an initial 10-year limitation exception by the Kansas Corporation Commission. Such exception expired on or about June 1, 2014. Operator seeks a second exception.

7. The subject well demonstrated mechanical integrity as evidenced by passage of Commission Staff-witnessed mechanical integrity test on or about May 30, 2014.

8. Operator is keeping the subject well for possible future conversion to either a producing well or an injection well. The subject well should not be plugged to prevent economic waste associated with re-drilling. To convert to a producer, the Lokset would be pulled and production equipment run into the well. The estimated associated cost for conversion to a producing well is \$60,000. To convert to injection, cement would be circulated behind the casing from at least 50' below the base of the usable water to the surface and a packer and

injection string would be run in the well. The estimated associated cost for conversion to an injection well is \$80,000. However, Operator doesn't currently wish to alter the flood or production patterns in the northwestern portion of the waterflood unit where the subject well is located. Production from the Chrisler-Elliott Unit is around 23 BOPD with potential reserves in excess of 100,000 barrels of oil.

9. Operator has included a plat map showing the locations of all producing, injection, saltwater disposal, temporarily abandoned, and plugged wells located on the same leased premises as the subject well. There are eight active producing wells, five active water injection wells, one active water supply well, and two temporarily abandoned producing wells (including the subject well) on the unit.

10. Based on the foregoing, Operator 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 the three (3) years following the expiration of the 10-year limitation. Operator understands that the exception would be valid for three (3) years, but Operator would still need to apply annually to the Conservation Division District Office for approval of an application for temporary abandonment status.

11. Listed in the attached Exhibit "A" 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 the subject well (provided that such mineral interest is not covered by any oil and gas lease).

12. Notice of this application has been 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,

Bruce E. Meyer
2020 N. Bramblewood
Wichita, KS 67206
316-265-3311
Fax #316-681-4712

By: _____

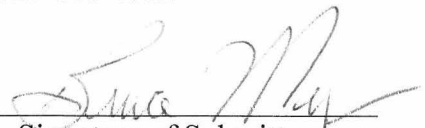

Signature of Submitter

EXHIBIT A

Chrisler-Elliott #3 notice area

Operator – SW/4 Sec. 6, W/2 Sec. 7-11S-15W

SE/4 Sec. 1, E/2 NE/4 & NE/4 SE/4 Sec. 12-11S-16W

Berexco LLC
2020 N. Bramblewood
Wichita, KS 67206

Surface owner – E/2 NE/4 Sec. 12-11S-16W (Chrisler-Elliott #3 wellsite)

MHW Enterprises
2924 Wiles Road
Natoma, KS 67651

Operator – SW/4 Sec. 1-11S-16W

V. Francis Weigel Family Partnership, L.L.C.
P. O. Box 219
Gorham, KS 67640

Unleased mineral owner – NW/4 and W/2 NE/4 Sec. 12-11S-16W

Melvin Efken
RR 1, Box 20
Tipton, KS 67485-9518

Unleased mineral owners – NW/4 SE/4 Sec. 12-11S-16W

Ralph & Ella Bowlby Charitable Trust
P. O. Box 3480
Omaha, NE 68103-0480

Angelica Bowlby Charitable Trust
P. O. Box 3480
Omaha, NE 68103-0480

CERTIFICATE OF SERVICE

I hereby certify on this 29th day of July, 2014, true and correct copies of the attached Notice of Filing Application were served by depositing copies of the same in the United States Mail, postage prepaid, and properly addressed to each of the unleased mineral owner(s) and operator(s) set forth in Exhibit "A" attached to said Application filed by Operator, and the above and foregoing original Application and seven (7) copies were delivered to the Kansas Corporation Commission.

Eva Richmond
Name of Signed