

FEB 24 2020

CONSERVATION DIVISION  
WICHITA, KS

2020-02-24 14:17:02  
Kansas Corporation Commission  
/s/ Lynn M. Retz

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

In the matter of the Application of P.O. & G.  
Operating, LLC for an exception to the 10-  
year time limitation of K.A.R. 82-3-111 for its  
CSMU (M. R. NEU "B" 2) Well No. 603  
located in the SW/4 of Section 34, Township 31  
South, Range 35 West, Stevens County, Kansas.

Docket No. 20-CONS-  
3226-CEXC

CONSERVATION DIVISION

License No.: #35068

**APPLICATION**

Comes Now P.O. & G. Operating, LLC ("Applicant") support of its Application in the  
captioned matter and states as follows:

1. Applicant is a Limited Liability Company authorized to do business in the State of  
Kansas. Applicant's address is 5847 San Felipe Suite 3200, Houston, Texas 77057.

2. Applicant has been issued by the Kansas Corporation Commission  
Operator's

License # 35068, which expires on 4/30/2020.

3. Applicant is the owner and operator of the CSMU (M. R. NEU B 2) well, API # 15-  
189-21009-00-00 ("the subject well"), which is in the Southwest quarter of the Northeast quarter of  
Section 34 South, Range 35 West, Stevens County, Kansas. The subject well is located on an  
active oil and gas lease or unit comprising the following lands:

Township 31 South, Ranch 35 West

Section 34, SW NE NE NE

4. Pursuant to K.A.R. 82-3-111, the well was shut in, or Previous Applicant obtained  
temporary abandonment status, for the subject well on July 8th, 2006. The subject well has  
maintained such status from July 8th, 2006, to the present date.

5. On or about December 31<sup>st</sup>, 2019, the Kansas Corporation Commission notified applicant temporary abandonment status for the subject well would be denied from and after February 16th, 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. On February 14th, 2020 the subject well passed 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 convert the subject well to an injector and use as an enhanced oil recovery well for the waterflood project. P.O.&G. now has 5 active producers in the unit and still evaluating the waterflood pattern and more re-activations. 4 of these active producers were re-activated in year 2019. Also a Injection facility was re-done and triplex pump was installed.

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

- a. There are 14 producers, 7 injectors, and 1 water supply well
- b. Plugging costs are estimated to be \$30,000 for the well
- c. Current unit production rate is 72 BOPD, 60 BWPD, 0 MCFD
- d. Remaining reserves from this unit are estimated at 218.8 MBO assuming an 8% decline rate  $[72 \text{ BOPD} - 10 \text{ BOPD} * 4377 = 271.4 \text{ MBO}]$
- e. Currently, the well is TA'd with a CIBP above the perms which isolates any commingling of zones or aquifer concerns. With the recent success of the re-activations in this field in 2019, PO&G Resources is currently studying more re-activations as well as potential injector conversions for increased reserves potential from already active wells. The well should provide good waterflood support to the nearby CSMU #301. The injection facility was already re-activated with the purchase of a tri-plex pump and line work.

- f. The cost of doing the absolute minimum to make this well active is \$40,000 and requires a further field study with new information regarding our recent well re-activations.

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 "A" are the names and addresses of the following persons:

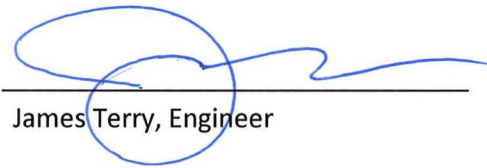
- A. Each operator of each oil and gas lease covering lands within one-half (1/2) mile radius of the subject well; and
- B. Each person who owns any mineral interest of record in and under any lands located within one-half (1/2) mile radius of subject well (provided that such mineral interest is not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

P.O.&G Operating, LLC  
5847 San Felipe, Suite 3200  
Houston, Texas 77057  
Phone # (713)-244-0779  
Fax # (713)-244-0650



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James Terry, Engineer

### **CERTIFICATE OF SERVICE**

I hereby certify on this 18 day of February, 2020, 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 14 of said Application and each party set forth in Exhibit "A" attached to said Application filed by Applicant, and the original and seven (7) copies were hand delivered to the Kansas Corporation Commission.



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James Terry, Engineer

PRODUCER P.O. & G. RESOURCES  
WELL NAME CSMU #603 (MR NEU B2)  
LOCATION NE/4 NE/4 34-31S-35W  
COUNTY STEVENS STATE KS

CSG 4.5 WT          SET @          TD          PB          GL           
TBG 2.375 WT 4.7 SET @          SN          PKR          KB           
PERFS          TO         ,          TO         ,          TO         ,          TO           
PROVER          METER          TAPS          ORIFICE          PCR          TCR           
GG          API          @          GM          RESERVOIR         

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