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CONSERVATION DIVISION
WICHITA, KS

PARWEST LAND EXPLORATION, INC.

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2016.11.07 13:07:02

Kansas Corporation Commission

/S/ Amy L. Green

Commissioner Jay Scott Emler, Chairman
Kansas Corporation Commission
266 N. Main St., Suite 220
Wichita, KS 67202-1513

November 3, 2016

Docket No.: 17-CONS-3141-CPEN
Parwest Land Exploration, Inc.
License # 35312

Subject: Hearing requested for failure to comply with K.A.R 82-3-407 at the Big Basin # 3 in Clark County, Kansas.

Dear Mr. Emler:

After failing the Mechanical Integrity Test on June 2, 2016, all of the tubing to 3,600' was pulled in Big Basin # 3 on June 14, 2016 and pressure tested on site. Rather than replace all of the tubing with lined tubing, we first replaced the 20 joints that had failed the pressure test. The well would still not hold pressure, leading one to surmise that there was a hole in the casing.

It is unlikely that the casing hole was shallower than 1,200' and unlikely that groundwater in the Big Basin area was affected because of the well's design. Groundwater there is 200-300' deep. This well has 40' of 20" conductor, 385' of 13 3/8" surface casing, 995' of 8 5/8" intermediate casing, 1,200' of 7" liner, and 4,000' of 4 1/2" production casing, all cemented with sufficient volumes. Any defects in the casings would have been sealed during cementing operations, and any casing degradation over time would, in all probability, have been confined to the area of least resistance. That particular area is the uncemented portion of the borehole between the top of the cement in the 4 1/2" at 2,930' and the cemented base of the 7" liner at 1,200'.

The Big Basin # 3 disposal well has been shut-in since the source of its water, Big Basin # 1, last produced on May 6, 2015. Both wells have been idle, and we were remiss in submitting the proper shut-in documentation and in renewing our KS operator license, the latter resulting in acceptance of Form T-1 back in April of 2016.

The Big Basin #3 disposal well was plugged in accordance with KCC regulations on October 28, 2016. The delay was because of the difficulty we had in raising sufficient capital to plug the well due to the downturn in the industry and a communications failure for a plugging extension. We do not believe that groundwater quality was compromised during this delay and request that a monetary penalty not be assessed.

Sincerely,



Richard R. Donofrio
Geologist