

MAY 12 2020

CONSERVATION DIVISION
WICHITA, KS**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 NE/4 of Section 34, Township 31
South, Range 35 West, Stevens County, Kansas.

Docket No. 20-CONS-
3226-CEXC (Revised)

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 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, NE/4

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 31st, 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. Commission records indicate that the subject well was previously granted an extension in Docket No. 17-CONS-3404-CEXC on February 16, 2017.

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, an 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 BWP, 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).

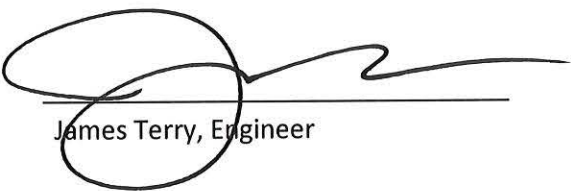
13. Notice of this Application will be published pursuant to K.A.R. 82-3-135a. In addition, notice of the hearing to be held in this matter will be provided as prescribed by K.A.R.

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,

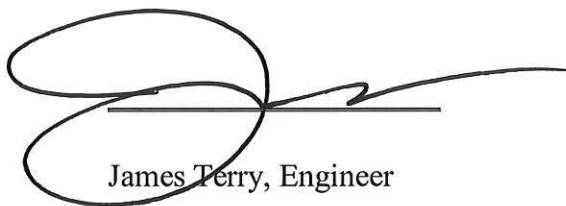
P.O.&G Operating, LLC
5847 San Felipe, Suite 3200
Houston, Texas 77057
Phone # (713)-244-0779
Fax # (713)-244-0650



James Terry, Engineer

CERTIFICATE OF SERVICE

I hereby certify on this 08th day of May, 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.



James Terry, Engineer

Chaparral Energy, LLC

Cutter South Mississippi Unit

Stevens County, KS



- WELL SYMBOLS**
- PRODUCER
 - SHUT IN PRODUCER
 - ☼ GAS WELL
 - P&A'd PRODUCER
 - UNIT WELL
 - △ SI WATER SUPPLY WELL
 - ☼ SI GAS WELL
 - DRY HOLE
 - P&A'd PRODUCER
 - ▼ SHUT-IN INJECTOR
 - SHUT-IN PRODUCER
 - Lease Well
 - △ DRILLING_WELL
 - SUM OF PRIMARY
 - SUM OF SECONDARY
 - Location
 - ⊘ Abandoned Location

September 19, 2016

Received
KANSAS CORPORATION COMMISSION

MAY 12 2020

CONSERVATION DIVISION
WICHITA, KS

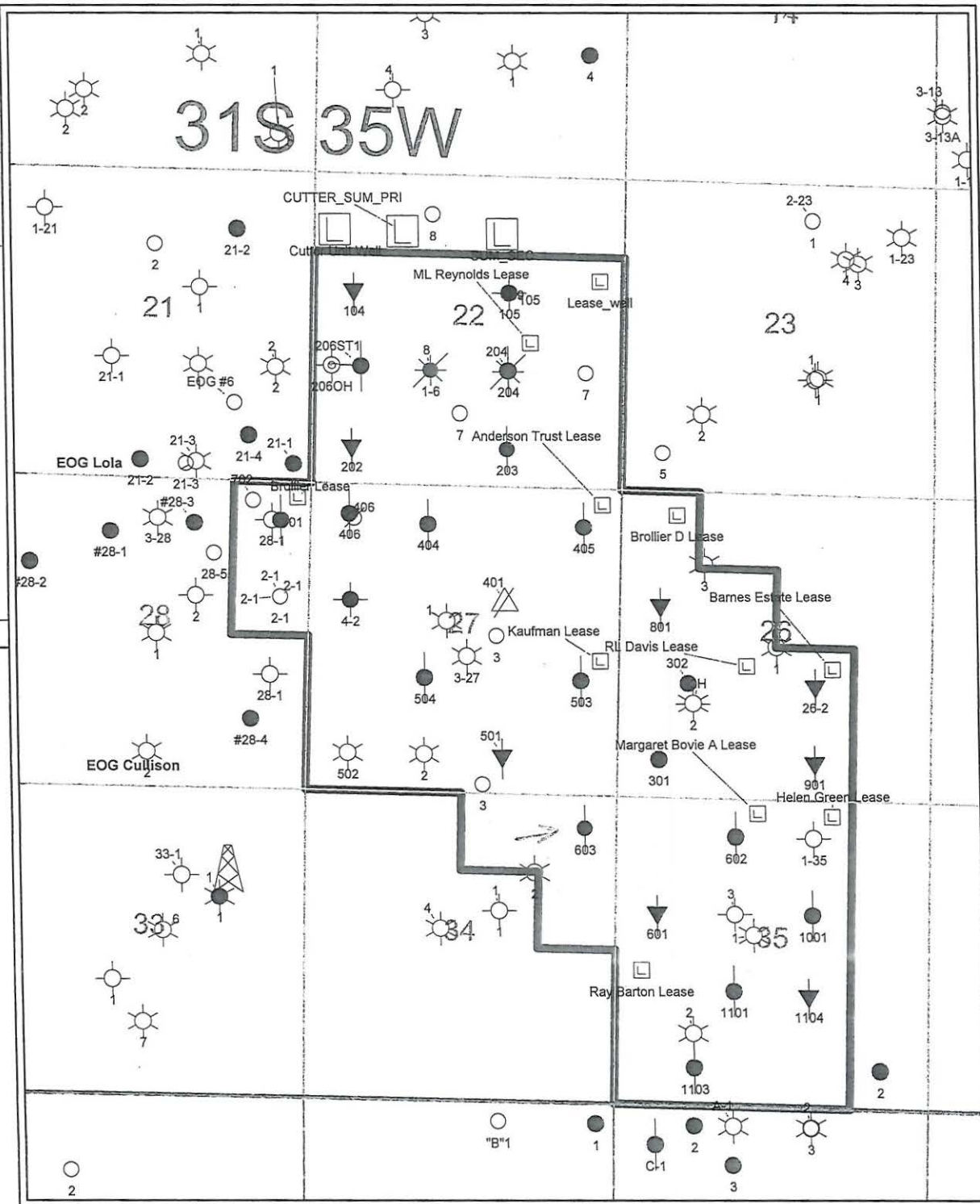


Exhibit A

**CSMU (M. R. NEU "B" 2) #603
SW NE NE NE Sec 34, T31S, R35W
Stevens, County, Kansas**

Surface Owner:

EWV TR
Attn: Edward White
2237 Road V
Moscow, KS 67952

Mineral Owner:

Margaret R Neu Trust DTD 7/28/92
Julie Golladay, TTEE
3505 Edgewood Dr.
Amarillo, Tx 79109

Offset Operators: NONE

Received
KANSAS CORPORATION COMMISSION

MAY 12 2020

CONSERVATION DIVISION
WICHITA, KS

MAY 12 2020

CONSERVATION DIVISION
WICHITA, KS

PUBLIC NOTICE

(First published in The Hugoton Hermes, Thursday, March 26, 2020) 1t

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF TEXAS

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 Cutter South Morrow Unit Well No. 603, located in the NE/4 of Section 34-31S-35W, Stevens County, Kansas.

Docket No. 20-CONS-3226-CEXC
Conservation Division
License No. 35068

NOTICE OF PENDING APPLICATION

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

TO: ALL OIL & GAS PRODUCERS, UN-LEASED MINERAL INTEREST OWNERS, LANDOWNERS, AND ALL PERSONS WHOMSOEVER CONCERNED:

YOU, and each of you, are hereby notified that P.O.&G. Operating, LLC for an exception to the 10-year time limitation of K.A.R. 82-3-111 for its Cutter South Morrow Unit Well No. 603, located in the NE/4 of Section 34-31S-35W, Stevens County, Kansas.

YOU are further notified that unless written protest is received by the State Corporation Commission within Fifteen (15) days after publication of this Notice, the Application in this matter will be granted by administrative approval after said 15 day period. Any such protest should be mailed to the State of Kansas, Conservation Division, 266 N. Main St. 220, Wichita, Kansas 67202; and to the Applicant at the address shown.

All parties in any wise interested or concerned shall take notice of the foregoing and govern themselves accordingly.

P.O.&G. Operating, LLC
5847 San Felipe, Ste 3200
Houston, Texas 77057
(713) 244-0779

AFFIDAVIT OF PUBLICATIONS

STATE OF KANSAS, STEVENS COUNTY, ss
Faith Publishing LLC, being first duly sworn, deposes and says: That they are Publisher of the Hugoton Hermes, a weekly newspaper printed in the State of Kansas, and published in and of general circulation in Stevens County, Kansas, with a general paid circulation on a weekly basis in Stevens County, Kansas, and that said newspaper is not a trade, religious or fraternal publication.

..Said newspaper is a weekly, published at least weekly 50 times a year; has been so published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice; and has been admitted at the post office of Hugoton in Said County as second class matter.

..That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for _____ consecutive weeks, the first publication thereof being made as aforesaid on the day of

March 26, 2020, with subsequent publications being made on the following dates:

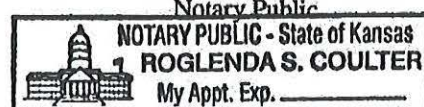
_____, 20_____, 20_____

_____, 20_____, 20_____

Kay McDaniel
Subscribed and sworn to before me this

day of March 26, 2020

Roglen S Coulter



My Commission expires: 4-10-22

Printer's fee.....\$ 60.75
Additional Copies.....\$ _____

Total.....\$ 60.75

Approved this _____ day of

_____, 20_____

Judge



LEGAL PROOF OF PUBLICATION

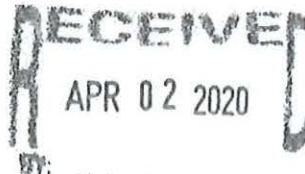
Account #	Ad Number	Identification	PO	Amount	Cols	Lines
703744	0004603756	BEFORE THE STATE CORPORATION COMMISS	ORPORATION COMMISSION OF	\$258.81	1	43

Attention: Wendy Colotta

P.O. & G

5847 SAN FELIPE, SUITE 3200

HOUSTON, TX 77057



BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF TEXAS

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Docket No. 20-CONS-3226-CEXC
Conservation Division
License No. 35068

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Received
KANSAS CORPORATION COMMISSION

MAY 12 2020

CONSERVATION DIVISION
WICHITA, KS

In The STATE OF KANSAS
In and for the County of Sedgwick
AFFIDAVIT OF PUBLICATION

1 Insertions

Beginning issue of: 03/20/2020

Ending issue of: 03/20/2020

STATE OF KANSAS)

.SS

County of Sedgwick)

Tony Berg, of lawful age, being first duly
sworn, deposeth and saith: That he is
Record Clerk of The Wichita Eagle, a daily
newspaper published in the City of Wichita,
County of Sedgwick, State of Kansas, and
having a general paid circulation on a daily
basis in said County, which said
newspaper has been continuously and
uninterruptedly published in said County for
more than one year prior to the first
publication of the notice hereinafter
mentioned, and which said newspaper has
been entered as second class mail matter
at the United States Post Office in Wichita,
Kansas, and which said newspaper is not a
trade, religious or fraternal publication and
that a notice of a true copy is hereto
attached was published in the regular and
entire Morning issue of said The Wichita
Eagle from 3/20/2020 to 03/20/2020.

I certify (or declare) under the penalty of
perjury that the foregoing is true and correct.

(Signature of Principal Clerk)

DATED: 3/23/2020

Notary Public Sedgwick County, Kansas

