

MAR 09 2020

CONSERVATION DIVISION
WICHITA, KS

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

In the matter of the Application of Palomino Petroleum, Inc.,)
An exception to the 10-year time limitation of K.A.R 82-3-111)
for its Scully "M" #2 well located in the NE/4 of Section)
29, Township 18 South, Range 2 East, Marion County, Kansas.)

³²⁵⁰
Docket No. 20-CONS- -CEXC
CONSERVATION DIVISION
License No. 30742

APPLICATION

COMES NOW Palomino Petroleum, Inc. ("Applicant") in support of its Application in the captioned matter and states as follows:

1. Applicant is a Kansas Corporation authorized to do business in the State of Kansas.

Applicant's address is 4924 SE 84th St., Newton, Kansas 67114-8827.

2. Applicant has been issued by the Kansas Corporation Commission Operator's License 30742, which expires on June 30, 2020.

3. Applicant is the owner and operator of the Scully "M" #2 well, 15-115-20213-00-01 ("the subject well"), which is located in the NE/4 of Section 29, Township 18 South, Range 2 East, Marion County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands:

NE/4 of Section 29, Township 18 South, Range 2 East, Marion County, Kansas

4. Pursuant to K.A.R. 82-3-111, the well was shut in, or Applicant obtained temporary abandonment status, for the subject well on November 13, 2019. The subject well has maintained such status from November 13, 2019 to the present date.

5. On or about December 30, 2019, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after December 30, 2019, 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. 82-3-111. Applicant seeks such an exception.

7. On October 18, 2019, the subject well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point with 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 use the well for the following purpose: nearby seismic feature that we intend to drill.

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

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).

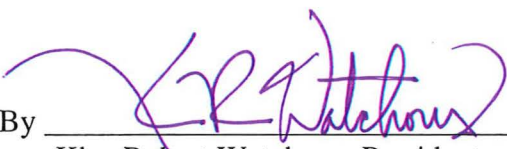
13. Notice of this Application will be published pursuant to K.A.R. 82-3-135a. In addition, notice of the hearing to be held in this matter will be provided as prescribed by K.A.R. 82-3-135.

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,

Palomino Petroleum, Inc.
4924 SE 84th St., Newton, KS 67114-8827
Office: (316) 799-1000
Fax: (316) 799-2728

By


Klee Robert Watchous, President

CERTIFICATE OF SERVICE

I hereby certify on this 24th 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 12 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.




Klee Robert Watchous, President

VERIFICATION

STATE OF KANSAS)
)
COUNTY OF HARVEY) SS:

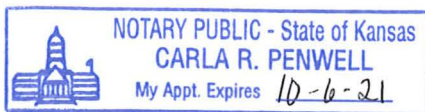
Klee Robert Watchous, of lawful age, being first duly sworn, upon oath states:


That he has the authority on behalf of Operator to file this application, has read the application, knows the contents, and knows all of the statements in the application are true and correct.



Signature of Submitter

Subscribed and sworn to before me this 24th day of February, 2020.





Notary Public

My appointment expires: October 6, 2021

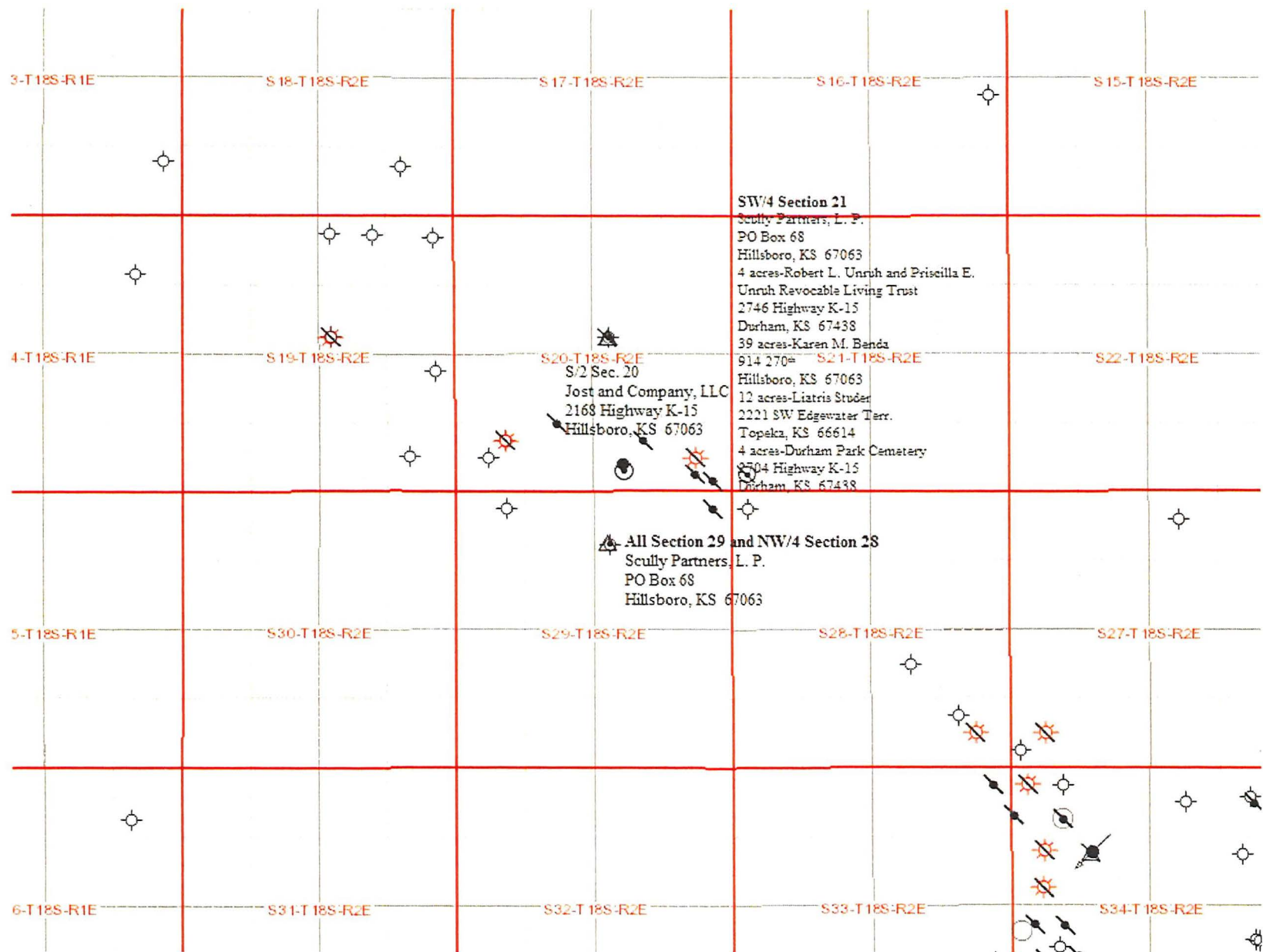


EXHIBIT "A"

**S/2 Sec. 20-18S-2E
Marion County, Kansas**

Jost and Company, LLC
2168 Highway K-15
Hillsboro, KS 67063

**SW/4 Sec. 21-18S-2E
Marion County, Kansas**

Scully Partners, L.P.
P. O. Box 68
Hillsboro, KS

4 acres – Robert L. Unruh & Priscilla E.
Unruh Revocable Living Trust
2746 Highway K-15
Durham, KS 67438

39 acres – Karen M. Benda
914 270th
Hillsboro, KS 67063

12 acres – Liatris Studer
2221 SW Edgewater Terr.
Topeka, KS 66614

4 acres – Durham Park Cemetery
2704 Highway K-15
Durham, KS 67438

**All Sec. 29 & NW/4 Sec. 28-18S-2E
Marion County, Kansas**

Scully Partners, L.P.
P. O. Box 68
Hillsboro, KS 67063