

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

BEFORE COMMISSIONERS: Pat Apple, Chair
Jay Scott Emler, Commissioner
Shari Feist Albrecht, Commissioner

In the Matter of the Application of Lario Oil & Gas)	Docket No. 17-CONS-3516-CUNI
Company for an Order Authorizing the Unitization)	Conservation Division
and Unit Operations of the Feiertag Unit in Scott)	License No. 5214
County, Kansas.)	

APPLICATION

COMES NOW, Lario Oil & Gas Company (“Applicant”) and for its Application for an Order Authorizing the Unitization and Unit Operations of the Feiertag Unit in Scott County, Kansas, pursuant to K.S.A. 55-1301, *et seq.*, states:

1. The Applicant is a Delaware corporation, duly authorized to conduct business in the State of Kansas and maintaining its principal place of business at 301 South Market Street, Wichita, Kansas 67202. The Applicant holds Kansas Corporation Commission Operator’s License No. 5214.

2. The Applicant is an Owner and the operator of undivided oil and gas leasehold working interest in wells producing oil from the Shawnee, Lansing, Kansas City, Marmaton, Cherokee, Morrow, Basal Penn, and Mississippian formations in the Feiertag Unit of the Millrich Southeast Pool in portions of Sections 9, 10, 15, 16, 21, and 22 of Township 19 South, Range 33 West, Scott County, Kansas.

3. The Applicant seeks to establish unit operations for a unit known as the Feiertag Unit pursuant to K.S.A. 55-1301, *et seq.*, to enhance the ultimate recovery of liquid

hydrocarbons therefrom pursuant to the provisions of its unit agreement, unit operating agreement, and the Order of this Commission resulting from this Application.

4. The lands and reservoir or portions thereof which are anticipated to be operated as a unit are described as the interval between the top of the unitized substances in the Topeka Formation at 3,570 feet through the Oread, Lansing-Kansas City, Marmaton, Millrich, Morrow and St. Louis formations at 4,700 feet, as shown on the dual induction lateral log attached hereto as Exhibit "A" for the McCoy Petroleum Corporation 2-15 Feiertag Trust well in Section 15, Township 19 South, Range 33 West, Scott County, Kansas.

5. The unitized formations as described herein underlying the following lands will be operated as the Feiertag Unit proposed in this Application are:

Section 9: SE/4 SE/4

Section 10: SW/4

Section 15: W/2, W/2 SE/4, S/2 SW/4 NE/4

Section 21: NE/4 NE/4

Section 22: N/2 NW/4, and NW/4 NE/4

all in Township 19 South, Range 33 West, Scott County, Kansas, consisting of a total of 860 surface acres.

6. The Applicant proposes to conduct secondary recovery operations by the injection of water, gas, or other fluids and substances, or a combination thereof, as reasonably prudent and desirable to increase the ultimate recovery of hydrocarbons principally consisting of liquid hydrocarbons from the unitized lands and above-described Oread, Lansing-Kansas City, Marmaton, Millrich, and St. Louis reservoirs.

7. A copy of the proposed Unit Agreement and Plan of Unitization for the Feiertag Unit, which Applicant considers to be fair, reasonable, and equitable, is attached hereto as Exhibit "B" and incorporated by this reference.

8. A copy of the proposed Unit Operating Agreement covering the manner in which the Feiertag Unit will be supervised and operated, as well as the costs allocated and paid, is also attached hereto as Exhibit "C" and incorporated herein by this reference.

9. The unitized management, operation, and further development of the Feiertag unitized reservoirs as described herein, which are sought to be unitized, is economically feasible and reasonably necessary to prevent waste within the reservoir and thereby increasing substantially the ultimate recovery of oil and gas. Further, the value of the estimated additional recovery of oil and gas substantially exceeds the estimated additional costs incident to conducting such unitized operations. The proposed operations of the Feiertag Unit is fair and equitable to all interest owners, both royalty and working interest.

10. As of the date of the filing of this Application, the proposed plan of unit operations for the Feiertag Unit as proposed by Applicant herein has been approved in writing by 92.64% of those persons required by the unit operating agreement to pay for the costs of unit operations and by 95.53% of the owners of the Feiertag Unit which are credited to royalties, excluding overriding royalties or other like interests carved out of the leasehold interests.

11. Attached hereto as Exhibit "D" is a plat outlining the boundaries of the Feiertag Unit as will be operated for unit operations by the Applicant.

12. Attached hereto as Exhibit "E" is a list of the names and addresses of lessors, lessees, mineral owners owning oil and gas interests of record in the proposed Feiertag Unit, together with each operator of record of leased minerals and owners of minerals of any unleased acreage of the Feiertag Unit and those within one-half mile of the proposed unit, which names and addresses Applicant has been able to identify after exercise of due diligence. A copy of this Application and notice of the Application in the form attached hereto as Exhibit "F" has been

properly mailed via United States postal service, postage prepaid, to all such persons shown on Exhibit E” Notice of this Application will be published pursuant to the Commission’s Rules and Regulations as provided in K.A.R. 82-3-135a.

WHEREFORE, the Applicant prays that this Commission set this matter for hearing, and after proper notice and hearing, issue an Order approving the unitization and unit operations for the Feiertag Unit in Scott County, Kansas, as described herein, and grant to the Applicant such further relief as is appropriate.

Respectfully submitted,

By 

Timothy E. McKee, #7135

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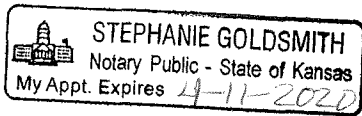
VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

Brenten Birk, of lawful age, being first duly sworn upon his oath states that he is the Operations Engineer for Lario Oil & Gas Company and states that the statements made herein are true and correct to the best of his knowledge and belief.

Brenten Birk
BRENTEN BIRK

SUBSCRIBED AND SWORN to before me this 10th day of March, 2017.



Stephanie Goldsmith
Notary Public

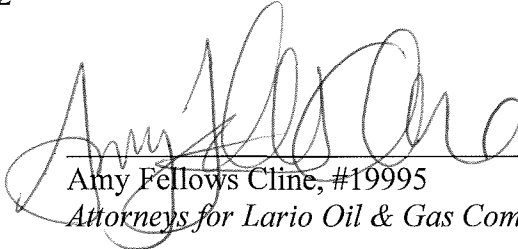
My Appointment Expires:

4-11-2020

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of March, 2017, the above Application was electronically served on:

Jon Myers
Assistant General Counsel
Kansas Corporation Commission
130 S. Market, Room 2078
Wichita, KS 67202-3802



Amy Fellows Cline, #19995
Attorneys for Lario Oil & Gas Company