

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

Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the Matter of the Application of Hugoton) Docket No.: 16-CONS-4129-CBSO
Energy Corporation for an order deleting) (194,757-C), (C-28,006)
certain acreage from the Eubank Morrow Oil)
and Gas Pool, and establishment of a Basic) CONSERVATION DIVISION
Spacing Order for their Eubank South Morrow)
Oil and Gas Pool, Haskell County, Kansas.)

**ORDER TO DISSOLVE EUBANK SOUTH MORROW OIL AND GAS
POOL BASIC SPACING ORDER**

Now, the above-captioned matter comes on before the State Corporation Commission of the State of Kansas ("KCC" or "Commission"). The Commission, being fully advised in the premises and after giving due consideration to the Statutes of Kansas, the regulations of this Commission, and its records and files, makes the following findings and conclusions:

1. By Order dated November 5, 1996, in docket number 194,757-C (C-28,006) the Commission established a Basic Spacing Order (BSO) for the Morrow formation located in the following acreage:

Sections 25 thru 36, Township 29 South, Range 34 West; Sections 1 thru 12, Township 30 South, Range 34 West, Haskell County, Kansas

2. The Morrow reservoir, which has been spaced under the provisions of the Eubank South Morrow Oil and Gas Pool BSO, is near depletion. The wells remaining in the field all produce at low rates.

3. Due to depletion of this reservoir and/or the low production rates of the wells, in the field, the above-referenced field was identified by Commission Staff as a candidate to have the BSO covering the field dissolved.

4. On December 15, 2016, a hearing was held for the purpose of allowing all interested parties to show cause why the Eubank South Morrow Oil and Gas Pool BSO should not be dissolved.

5. Notice was timely and properly filed and published in the Kansas Register, the Wichita Eagle and the official county newspaper of the county in which the subject lands are located. Jon Myers, Litigation Counsel, appeared on behalf of the Commission Staff and the public generally. There were no other appearances.

6. In view of the foregoing, the Commission finds that the Eubank South Morrow Oil and Gas Pool BSO should be dissolved.

7. The Commission further finds that the acreage previously controlled by the BSO should be returned to the full jurisdiction of the Kansas Corporation Commission under its General Rules and Regulations.

8. The Commission further finds that well-spacing for wells governed by the BSO should be as set out in the General Rules and Regulations of the Kansas Corporation Commission.

IT IS, THEREFORE, BY THE COMMISSION ORDERED: That the Eubank South Morrow Oil and Gas Pool BSO be, and the same is hereby, dissolved.

IT IS FURTHER ORDER BY THE COMMISSION: That the acreage previously controlled by the BSO be, and is hereby, returned to the full jurisdiction of the Kansas Corporation Commission under its General Rules and Regulations.

IT IS FURTHER BY THE COMMISSION ORDERED: That well-spacing for wells in the spaced area be, and the same are hereby, covered under the General Rules and Regulations of the Kansas Corporation Commission.

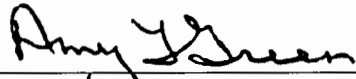
Any party affected by this Order may file a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 266 N. Main, Suite 220, Wichita, Kansas 67202. Pursuant to K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order.

The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: FEB 02 2017



Amy L. Green
Secretary to the Commission

February 2, 2017
Mailed Date: _____

JM

CERTIFICATE OF SERVICE

I certify that on February 2, 2017, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

Emma Richmond
Berexco LLC
2020 N. Bramblewood
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Heidi Weeks-Thome
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ELM III Operating Company LLC
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Edmond, OK 73013
License #34545

And delivered electronically to:

Jon Myers
KCC Conservation Division Central Office

/s/ Cynthia K. Maine
Cynthia K. Maine
Administrative Assistant
Kansas Corporation Commission