

JAN 02 2020

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

CONSERVATION DIVISION
WICHITA, KS

In the matter of the Application of Becker Oil) Docket No. 2D-CMS-3189-CEXC
Corporation for an exemption to the 10 year time)
limitation of K.A.R. 82-3-111 for its # 1 Schroeder) CONSERVATION DIVISION
well, API #15-083-²¹⁵⁷⁰~~21512~~-00-00, located in the)
NW/4 of Section 11, Township 23 South, Range) License No. 31093
24 West, Hodgeman County, Kansas)

APPLICATION

COMES NOW Becker Oil Corporation, "Applicant", in support of its Application in the captioned matter and states as follows:

1. Applicant is a corporation authorized to do business in the State of Kansas. Applicants address is P.O. Box 1150, Ponca City, OK 74602
2. Applicant has been issued by the Kansas Corporation Commission Operator's License #31093, which expires October 31, 2020.
3. Applicant is the owner and operator of the Schroeder # 1 well, API # 15-083-21570-00-00, which is located in the SE/4 NW/4 SW/4 NW/4 of Section 11, Township 23 South, Range 24 West, Hodgeman County, Kansas. The subject well is located on an active gas unit comprising the following lands:

S/2 NW/4 of Section 11, SE/4 SE/4 of Section 30, Township 23 South, Range 24 West, Hodgeman County Kansas, containing 80 acres, more or less.
4. Pursuant to K.A.R. 82-3-111, the well was shut in and Applicant obtained temporary abandonment status for the subject well on February 11, 2009. The well has maintained such status from December, 2009 to the present date.
5. On May 3, 2016, the Kansas Corporation Commission notified Applicant that temporary abandonment status for the subject well would be denied from and after December 17, 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. 82-3-100. Applicant seeks such an exemption.
7. On December 13, 2019, the subject well passed a Commission Staff-witnessed (Mike Maier) mechanical integrity test of the casing from a point within fifty (50) feet above the uppermost perforation in the well.
8. Applicant wishes to continue TA status for the subject well. because Applicant intends to use the well for the following purposes: To establish a pipeline connection to subject well in order to produce Natural Gas at such time as market conditions have improved in order to produce said gas economically.
9. Applicant submits the following information regarding the well in support of the Application

a. The subject well is the only remaining active well on the lease. A previous oil well existed on the lease, located in the SE/4.NW/4 SW/4 NW/4 of Section 11, and produced from 1980 to 1982, making 6241 BO. It was plugged in 1982.

b. It is estimated that the cost to plug and abandon the subject well would be \$10,000.

c. The lease is not currently producing and has not produced previously. During completion a gas rate of 546 MCFGPD was gauged.

d. Due to a lack of production history, an estimation of remaining reserves is not possible. However other gas wells of the Applicant in the general area have had estimated reserves of 100 MMCFG to 1 BCFG.

e. The subject well has been drilled and completed and is ready to produce. However the subject well lies four (4) miles from the closest pipeline connection. Since the subject well was completed in 2008, there was no market for the gas in the area from March 2009 until October 2013. The gas in the area has high nitrogen content and must be processed to reduce the nitrogen content in order to achieve pipeline specifications. Since this processing was put in place on the aforementioned pipeline in October, 2013, the price of natural gas has plummeted, making a pipeline connection economically unfeasible. The gas in the area also contains 1% Helium on average. Helium, a vital and irreplaceable gas, is currently being extracted and sold from our wells in the area, The U.S. supply of Helium is rapidly dwindling as the BLM's Cliffside storage field, the major source of domestic Helium is nearly exhausted.

f. Estimated costs to construct the five miles of pipeline needed to connect the subject well is estimated at \$120,000.

10. Applicant has included a plat map showing the location 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 expiration of the 10-year limitation.

12. Listed 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: Coats Energy, Inc., P.O. Box 744, Wichita, KS 67201 and Whitetail Crude, Inc., P.O. Box 544, Ness City, KS 67580

B. Each person who owns any mineral interest of record in and under any lands located within one-half (1/2) mile of the subject well (provided that such mineral interest is not covered by any oil and gas lease): Richard and Julie Schroeder, Robert and Janel Schroeder, P.O. Box 623, Jetmore, KS 67854; Poverty Hill, LLC, 13924 SW 216 Rd., Jetmore, KS 67854; Martens Family Trust, c/o Angela Bradford, 26780 SW L Rd., Jetmore, KS 67854.

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 a hearing, and upon hearing that the Commission grant Applicants 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,

Becker Oil Corporation
P.O. Box 1150, Ponca City, OK 74602
303-670-8202
fax: 303-670-8202

By Clyde M Becker Jr
Clyde M. Becker, Jr.
President, Becker Oil Corporation

VERIFICATION

STATE OF COLORADO)
) ss:
COUNTY OF JEFFERSON)

Clyde M. Becker, Jr., 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.

Clyde M Becker Jr
Signature of Submitter

Subscribed and sworn to before me this 27th day of December , 2019.

My appointment expires: 04/19/2023

Subscribed and affirmed before me in the county of Jefferson
State of Colorado, this 27th day of December, 2019.
Tyler Dean Sander
(Notary's official signature)
04/19/2023
(Commission expiration date)

TYLER DEAN SANDER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20194015168
MY COMMISSION EXPIRES 04/19/2023

CERTIFICATE OF SERVICE

I hereby certify on this 27th day of December, 2019, true and correct copies of the above
and foregoing Application and Notice of Application were served by depositing copies of the
same in the United States Mail, postage prepaid, and properly addressed to the landowners and
each party set forth in paragraph 12 of said Application, and the original and seven (7) copies
were hand delivered to the Kansas Corporation Commission.

Clyde M Becker Jr
Clyde M. Becker, Jr.

Township E/2 10, W/2 11 Range 23S-24W County Hodgeman State Kansas

