

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

Before Commissioners: Shari Feist Albrecht, Chair
 Thomas E. Wright
 Jay Scott Emler

In the Matter of the Application of R.T.)	Docket No.: 14-CONS-550-CWLE
Enterprises of Kansas, Inc. for Multiple Well)	
Location Exceptions for Wells Upon the)	CONSERVATION DIVISION
Pearson and Finnerty Leases Located in)	
Section 11, Township 15 South, Range 20)	License No.: 33715
<u>East in Douglas County, Kansas.</u>)	

**ORDER AUTHORIZING USE OF WELLS
DURING PENDENCY OF APPLICATION**

The above captioned matter comes before the State Corporation Commission of the State of Kansas. Having examined the files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

1. On February 12, 2014, R.T. Enterprises filed an application requesting well location exceptions for various existing and proposed wells on the Pearson and Finnerty leases. R.T. Enterprises posits that K.A.R. 82-3-108 and K.A.R. 82-3-207 specifically permit the wells to be operated in their existing and proposed positions, but seeks clarification from the Commission regarding its regulations.
2. On February 28, 2014, various parties represented by attorney John L. Hampton ("Protestants") filed an objection to R.T. Enterprises' application. The Protestants state that R.T. Enterprises does not have a valid lease on their properties, that the requested spacing would create a wasteland on the surface, and that the Commission should not consider R.T. Enterprises' application until a lawsuit that the Protestants have filed has been resolved.

3. On March 13, 2014, R.T. Enterprises filed a motion for a preliminary order, requesting authorization to continue operating the existing wells on the Pearson and Finnerty leases (the “existing wells”).¹ R.T. Enterprises states that the existing wells have been drilled in good faith, and that the wells are being operated as part of a waterflood operation implemented a little more than a year ago. R.T. Enterprises further states that if the existing wells are shut in, then an oil bank that has been formed as a result of the waterflood will dissipate, resulting in permanent underground waste of oil.²

4. Neither the Protestants nor Staff filed a response to R.T. Enterprises’ motion for a preliminary order authorizing the continued operation of the existing wells.

5. In light of the information presented by R.T. Enterprises and the lack of any response from the Protestants or Staff, the Commission grants R.T. Enterprises’ motion for authorization to continue operating the existing wells during the pendency of the application in this docket.

6. The Commission takes no position on the validity of any leases covering the existing wells or on the merits of any civil suits regarding the existing wells. The Commission only authorizes operation of the existing wells to the extent that such operations do not conflict with any regulations other than K.A.R. 82-3-108 and K.A.R. 82-3-207, or any applicable statutes or court orders.

¹ Pursuant to R.T. Enterprises’ Application, Exhibit A, there are 17 existing wells on the Pearson lease and 10 existing wells on the Finnerty lease. The wells are described in that Exhibit by providing latitude and longitude coordinates, as well as by footages.

² R.T. Enterprises supplemented its motion with written testimony from Dwayne McCune, who states that he is a Kansas-licensed petroleum engineer, and that based on the evidence, if the Commission ordered the existing wells to be shut-in, then it would “in all likelihood” result in permanent underground waste.

THEREFORE, THE COMMISSION ORDERS:

A. During the pendency of its application in this docket, R.T. Enterprises is authorized to continue operating the 17 existing wells on the Pearson lease, and the 10 existing wells on the Finnerty lease, as described in R.T. Enterprises' Application, Exhibit A.

B. This Order constitutes non-final agency action pursuant to K.S.A. 77-607(b)(2). The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Wright, Com.; Emler, Com.

Dated: APR 10 2014



Kim Christiansen
Executive Director

Mailed Date: 4-11-2014

JRM

I CERTIFY THE ORIGINAL
COPY IS ON FILE WITH
The State Corporation Commission

APR 10 2014



CERTIFICATE OF SERVICE

I certify that on 4-11-2014, 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:

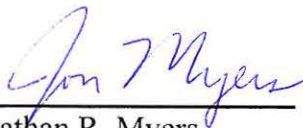
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John Almond
District Office No. 3

And delivered by hand to:

John McCannon
Litigation Counsel
Conservation Division Central Office



Jonathan R. Myers
Litigation Counsel (Advisory Counsel in this matter)
Kansas Corporation Commission