BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the matter of the application of Berexco LLC for an exception to the 10-year time limitation of K.A.R. 82-3-111 for its Chrisler-Elliott #9 well located in the NW SW NE of Sec 7, T11S, R15W Russell County, Kansas. Docket No. 20-CONS- ³²⁰⁰ -CEXC

CONSERVATION DIVISION

License No.: 34318

APPLICATION

COMES NOW Berexco LLC ("Operator") for its application in the captioned matter states as follows:

1. Operator is a limited liability company authorized to do business in the State of Kansas. Operator's address is 2020 North Bramblewood, Wichita, Kansas 67206.

2. Operator has been issued by the Kansas Corporation Commission Operator's License #34318, which expires on October 30, 2020.

3. Operator is the owner and operator of the Chrisler-Elliott #9 well, API #15-167-21714-0000 which is located in the Northwest Quarter of the Southwest Quarter of the Northeast Quarter of Section 7, Township 11 South, Range 15 West, Russell County, Kansas. The subject well is located on an active oil and gas unit comprising the following lands: The South Half of the Southeast Quarter of Section 1, the East Half of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 12, all in Township 11 South, Range 16 West, Russell County, and the Southwest Quarter of Section 6 and all of Section 7, all in Township 11 South, Range 15 West, Ellis County, Kansas.

4. Pursuant to K.A.R. 82-3-111, Operator obtained temporary abandonment status for the Chrisler-Elliott #9 on April 15, 2009. The subject well has maintained such status from April 2009 to the present date.

5. On or about December 6, 2016, the Kansas Corporation Commission notified Operator that temporary abandonment status for the subject well would be denied because the subject well had been temporarily abandoned for more than ten (10) years and the temporarily abandoned status was expiring on or about January 19, 2020.

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 regulations through an application filed with the Commission pursuant to K.A.R. 82-3-100. Operator seeks such an exception.

7. The subject well demonstrated mechanical integrity as evidenced by passage of Commission Staff-witnessed mechanical integrity test on or about December 3, 2019.

8. Operator is keeping the subject well for possible future conversion to either a producing well or an injection well. The subject well should not be plugged to prevent economic waste associated with re-drilling. To convert to a producer, the Lokset packer would be pulled and production equipment installed in the well. The estimated associated cost for conversion to a producing well is \$60,000. To convert to injection, cement would be circulated behind the casing from at least 50' below the base of the usable water to the surface and a packer and injection string would be run in the well. The estimated associated cost for conversion to an injection well is \$80,000. Operator doesn't currently wish to alter the flood or production

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patterns in the northern portion of the waterflood unit where the subject well is located. Production from the Chrisler-Elliott Unit is around 24 BOPD with potential reserves in excess of 100,000 barrels of oil.

9. Operator has included a plat map showing the locations of all producing, injection, saltwater disposal, temporarily abandoned, and plugged wells located on the same leased premises as the subject well. There are eight active producing wells, five active water injection wells, one active water supply well, and two temporarily abandoned producing wells (including the subject well) on the unit.

10. Based on the foregoing, Operator 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 the three (3) years following the expiration of the 10-year limitation. Operator understands that the exception would be valid for three (3) years, but Operator would still need to apply annually to the Conservation Division District Office for approval of an application for temporary abandonment status.

11. 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 the subject well (provided that such mineral interest is not covered by any oil and gas lease).

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12. Notice of this application has been 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,

Jonathan Hayward 2020 N. Bramblewood Wichita, KS 67206 316-265-3311 Fax #316-681-4766

By: Signature of Submitter

State of Kansas)))County of Russell)

Jonathan Hayward, of lawful age, being duly sworn upon his oath deposes and states:

That he has the authority on behalf of Operator to file this application, that he has read the above and foregoing application and is familiar with the contents thereof; and, that the statements made therein are true and correct to the best of his knowledge and belief.

By: Jon Haymand Signature of Submitter

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2020.

Notary Public

My Appointment Expires:

JESSE FENDORF NOTARY PUBLIC STATE OF KANSAS My Appt. Exp.

12-16-2020

CERTIFICATE OF SERVICE

I hereby certify on this <u>3</u>^{*n*} day of <u>5</u>*nnuary*, 2020, true and correct copies of the attached Notice of Filing Application were served by depositing copies of the same in the United States Mail, postage prepaid, and properly addressed to each of the unleased mineral owner(s) and operator(s) set forth in Exhibit "A" attached to said Application filed by Operator, and the above and foregoing original Application was uploaded to the Kansas Corporation Commission via E-filing Express to a new docket.

Name of Signed

EXHIBIT A

Chrisler-Elliot #9 notice area

Operator - SW/4 Sec. 6, All Sec. 7-11S-15W

Berexco LLC 2020 N. Bramblewood Wichita, KS 67206

Surface owner - SW/4 NE/4 Sec. 7-11S-15W (Chrisler-Elliot #9 wellsite)

Ida L Elliot Trust No. 1 2734 Hall St., Apt. 206 Hays, KS 67601

Unleased mineral owners - SE/4 Sec. 6-11S-15W

Herbert H. Hachmeister 2847 W. Highway 18 Natoma, KS 67651

Joel & Debbie Stull P. O. Box 307 Natoma, KS 67651-0307

<u>Unleased mineral owner – NW/4 Sec. 8-11S-15W</u>

Gene P. Chrisler Trust No. 1 17511 Luray Terrace Natoma, KS 67651

BEREXCO LLC

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS NOTICE OF FILING APPLICATION

RE: BEREXCO LLC. – Application for an exception to the 10 year time limitation of K.A.R. 82-3-111 for the Chrisler-Elliott #9 well, located in Russell County, Kansas.

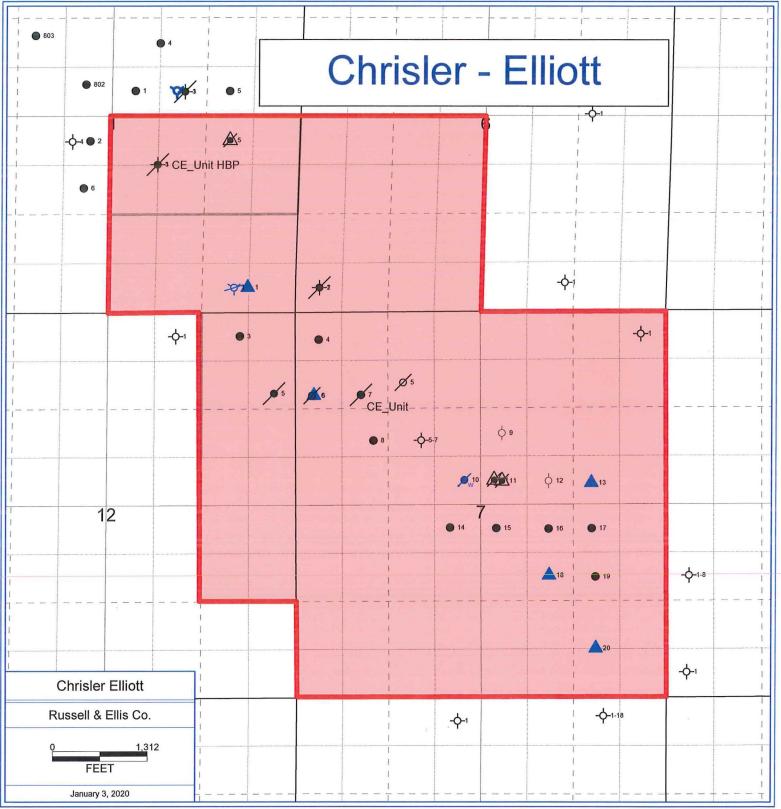
TO: All Oil & Gas Producers, Unleased Mineral Interest Owners, Landowners, and all persons whomever concerned.

You, and each of you, are hereby notified that Berexco LLC has filed an application for a three year exception to the 10 year temporarily abandoned time limitation of K.A.R. 82-3-111 for the Chrisler-Elliott #9 well located in the NW SW NE of Section 7-11S-15W, Russell County, Kansas.

Any persons who object to or protest this application shall be required to file their objections or protest with the Conservation Division of the State Corporation Commission of the State of Kansas within fifteen (15) days from the date of this publication. These protests shall be filed pursuant to Commission regulations and must state specific reasons why the grant of the application may cause waste, violate correlative rights or pollute the natural resources of the State of Kansas.

All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.

BEREXCO LLC 2020 N. Bramblewood Wichita, Kansas 67206 316-265-3311



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