

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

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

In the Matter of the Complaint of Atmos	)	Docket No. 17-CONS-3509-CMSC
Energy Against Endeavor Energy Resources,	)	
L.P. Relating to the Stegmeir #23-1 Well	)	CONSERVATION DIVISION
Located in the SW/4 SW/4 SW/4 of Section 23,	)	
Township 33 South, Range 17 East, Labette	)	License No. 31769
County, Kansas.	)	

**MOTION TO DISMISS**

COMES NOW Endeavor Energy Resources, L.P. ("Endeavor"), and requests that the Complaint filed by Atmos Energy Corporation ("Atmos") in the above-captioned matter be dismissed. In support of its motion, Endeavor states the following:

1. The Complaint in the above-captioned matter was filed by Atmos with the Kansas Corporation Commission ("Commission") on March 2, 2017.

2. The Complaint relates to a gas well known as the Stegmeir 23-1 well, which is operated by Endeavor. The Stegmeir 23-1 well is located 330' from the West line and 400 feet from the South line in Section 23-33S-17W, Labette County, Kansas. The Stegmeir 23-1 was drilled and completed on February 10, 2006. The Stegmeir 23-1 was originally completed in the Squirrel formation. Later, on April 19, 2011, the Stegmeir 23-1 well was plugged back to the Summit-Mulky formation. The Stegmeir 23-1 well is located nearby the Liberty North Underground Gas Storage Facility ("Liberty Facility").

3. Atmos is the operator of the Liberty Facility. On July 21, 2011, the Commission granted Atmos an underground porosity gas storage facility permit for the Liberty Facility. The certified aerial boundaries of the Liberty Facility are as follows:

Township 33 South, Range 17E, Montgomery County, Kansas

Section 21: E/2; E/2 SW/4; SW/4 SW/4

Section 22: S/2; S/2 N/2

Section 27: N/2 NE/4

Section 28: All

Section 29: E/2 E/2

Section 32: E/2; SE/4 NW/4

Section 33: All

Section 34: W/2

Under the permit, Atmos may store gas in the Squirrel sandstone formation. Notably, no part of Section 23-33S-17W—where the Stegmeir 23-1 well is located, is included within the boundaries of the Liberty Facility. Of further note, at no time while the Liberty Facility has been permitted has the Stegmeir 23-1 well been completed in the Squirrel sandstone formation. A copy of the permit for the Liberty Facility, which Endeavor obtained from Commission staff via open records act request, is attached as *Exhibit A*.

4. A Well Location Map Atmos submitted with its application for the Liberty Facility is attached as *Exhibit B*, and depicts the certified boundaries of the Liberty Facility and the location of the Stegmeir 23-1 well (plainly outside the boundaries of the storage field).

5. The Complaint purports to seek the following relief from the Commission: (1) declaratory relief declaring that Endeavor has no legal right to produce from the Stegmeir 23-1 well, and (2) an injunction ordering Endeavor to allow Atmos to take samples from the Stegmeir 23-1 well.

6. The Complaint should be dismissed because the Commission lacks jurisdiction over the matters set forth in the Complaint, nor does it have authority to order the remedies and relief sought by Atmos in its Complaint. In addition, the Complaint should be dismissed because it is based on clearly erroneous factual statements by Atmos.

7. Atmos has also filed a motion with the Commission specifically requesting an order to allow testing of the Stegmeir#23-1 well. For the same reasons identified above, Atmos' motion should also be denied in its entirety.

### **Jurisdiction and Authority**

8. The law is clear that the Commission does not have jurisdiction or authority to determine a party's property rights as to minerals produced from subsurface formations. *See Central Kansas Power Co. v. State Corp. Commission*, 206 Kan. 670, 680 (1971) ("The corporation commission provides no forum for the litigation of purely private rights and liabilities.") (quoting *Cities Service Gas Co. v. State Corp. Commission*, 197 Kan. 338, 342 (1966)); *Hamilton v. United Tel. Co. of Kansas, Inc.*, 6 Kan. App. 2d 885 (1981) ("The import of K.S.A. 66-101 et seq. indicates no administrative remedy exists for a party where the dispute is essentially private."). That authority has not been delegated by the legislature to the Commission. The authority delegated to the Commission by the legislature under KSA 55-1201, et seq., is limited to reviewing proposed formations for underground storage, certification of the boundaries of the field, and procedures for operating and abandoning the field. *See* K.S.A. 55-1201, et seq. Nowhere in the applicable statutory scheme, nor under any other relevant Kansas statute, has the legislature delegated to the Commission the power to determine the property rights as between a producer and a storage operator.

9. Nor has the legislature delegated the authority to the Commission to order testing or sampling of any well or wells to determine the origin of production from such well or wells. Indeed, K.S.A. 55-1210(d) states that an injector may compel compliance with the testing provisions of K.S.A. 55-1210 by way of an "injunction or other appropriate relief by application

to a court of competent jurisdiction.” This provision, however, does not mention the Commission, even though the term “Commission” is defined in the statutes. K.S.A. 55-1201(e).

10. The Commission has no jurisdiction, authority or power to order the relief sought by Atmos in its Complaint, nor does it have authority to hear this matter. As such, the Complaint should be dismissed and Atmos’ Motion for Order to Test Well should similarly be denied.

**The Complaint is Based on Factual Misstatements**

11. The Complaint contains and is based on clearly and demonstrably false statements of fact regarding the location of the certificated boundaries of the field, and regarding the formation from which the Stegmeir 23-1 well produces. Specifically, Endeavor wishes to draw the following matters to the attention of the Commissioners:

- a. Atmos has misrepresented the current boundaries of the Liberty Facility to argue that the Stegmeir 23-1 well is within the boundaries of the Facility. Quite the contrary, the Stegmeir 23-1 well is 330 feet East of the current certificated boundaries of the Liberty Facility. *See Exhibit B.* Endeavor is aware that Atmos has acquired lease rights for the lands containing the Stegmeir 23-1 well. However, Atmos has not done what is required under K.S.A. 55-1201 et seq. to certify such acreage for storage as part of the Liberty Facility. Specifically, Atmos is required to file an application with the KCC to find such acreage suitable for storage, to provide notice to, among others, Endeavor, and to hold a public hearing on the application. K.S.A. 55-1204; K.A.R. 82-3-1003. None of these steps have been taken. Yet Atmos now contends, without such due process, that its Liberty Facility has somehow been expanded beyond its current certificated boundaries. Moreover, Atmos purports to utilize its end-run around the due process requirements of the

statute to have this Commission effectively vitiate Endeavor's valid lease rights to produce from the Stegmeir 23-1 well. Such a debasement of basic due process should not be tolerated, and as a result the KCC should dismiss the Complaint.

- b. Contrary to the statements in the Complaint, the Stegmeir 23-1 does not produce from the Squirrel formation. Rather, in April of 2011—prior to the certification date of the Liberty Facility—the Stegmeir 23-1 well was plugged back to a depth of 440 feet, and is now completed in the Summit-Mulky formation. *See Exhibit C.* This is a matter of public record, and Atmos' unsupported statements that the Stegmeir 23-1 well is producing from the Squirrel formation are troubling indeed.
- c. Also contrary to Atmos' statements in the Complaint, Endeavor has responded to Atmos' inquiries throughout this dispute. Notably, Endeavor advised that the well was plugged back to the Mulky (which operation was witnessed by an Atmos employee in 2011), that Endeavor asked Atmos to support its legal right to test the well, that Endeavor questioned the basis for claims that the 23-1 well was in the storage field, when clearly it wasn't, questioned the statutory basis to test considering the 23-1 well produces from another formation, and requested gas samples Atmos previously took when trespassing on Endeavor's lease.

12. Based on the above, it is evident that Atmos' Complaint is founded on a misrepresentation of the applicable facts, and should be dismissed in its entirety. Similarly, for these reasons, Atmos' Motion for Order to Test Well should be denied in its entirety.

**Endeavor should be Awarded its Attorneys' Fees**

13. Under the plain language of K.S.A. 55-1210(c)(3), Endeavor should be entitled to its attorneys' fees for defending this Complaint. K.S.A. 55-1210(c)(3) states:



The owner of the stratum and the owner of the surface shall be entitled to such compensation, including compensation for use of or damage to the surface or substratum, as is provided by law, and shall be entitled to recovery of all costs and expenses, including reasonable attorney fees, if litigation is necessary to enforce any rights under this subsection (c) and the injector does not prevail.

Here, Endeavor is considered the owner of the a subsurface stratum at issue, and under the statute is entitled to recover of all costs and expenses, including reasonable attorney fees, for defending against Atmos' (the "injector") unfounded Complaint.

14. If Endeavor's motion to dismiss is granted, Endeavor requests that the Commission order that Atmos pay its costs and expenses of this matter, including its reasonable attorney fees, in an amount to be established at a later date.

WHEREFORE, Endeavor prays that the Commission grant this motion, dismiss Atmos' complaint, deny Atmos' motion to test well, order Atmos to pay Endeavor's costs and expenses, and reasonable attorney fees incurred in defending this action, and provide such other relief as the Commission deems just and proper.

Respectfully submitted,

MORRIS, LAING, EVANS, BROCK  
& KENNEDY, CHARTERED

By: 

Will B. Wohlford, #21773

Jonathan B. Schlatter, #24848

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Wichita, KS 67202-2745

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*Attorneys for Endeavor Energy Resources, L.P.*

**VERIFICATION**

STATE OF KANSAS                    )  
  ) ss:  
COUNTY OF SEDGWICK            )

Jonathan A. Schlatter, being of lawful age and being first duly sworn upon his oath, deposes and says:

That he is the attorney for Endeavor Energy Resources, L.P.; he has read the above and forgoing Motion to Dismiss, is familiar with the contents and that the statements made therein are true and correct to the best of his knowledge and belief.

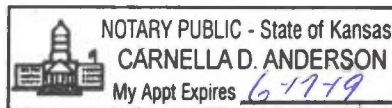
  
Jonathan A. Schlatter

SUBSCRIBED AND SWORN to before me this 13<sup>th</sup> day of March, 2017.

  
Notary Public

My Appointment expires:

*June 17, 2019*



### **CERTIFICATE OF SERVICE**

I, Jonathan A. Schlatter, hereby certify that on this 13<sup>th</sup> day of March, 2017, I caused the original of the foregoing Motion to Dismiss with the attached Exhibit A, B and C to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and caused true and correct copies of the same to be transmitted by email and USPS, first class, postage prepaid, and properly addressed to the following parties:

James G. Flaherty  
ANDERSON & BYRD, LLP  
216 S. Hickory, P.O. Box 17  
Ottawa, Kansas 66067  
[jflaherty@andersonbyrd.com](mailto:jflaherty@andersonbyrd.com)

John McCannon, Litigation Counsel  
Kansas Corporation Commission  
266 N. Main St., Ste. 220  
Wichita, KS 67202-1513  
[j.mccannon@kcc.ks.gov](mailto:j.mccannon@kcc.ks.gov)

Courtesy Copy to:

Jon Myers, Litigation Counsel  
Kansas Corporation Commission  
266 N. Main St., Ste. 220  
Wichita, KS 67202-1513  
[j.myers@kcc.ks.gov](mailto:j.myers@kcc.ks.gov)



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Jonathan A. Schlatter





THE KANSAS CORPORATION COMMISSION  
CONSERVATION DIVISION

Underground Porosity Gas Storage Facility Fully Authorized Operating Permit

Operator Name: Atmos Energy Corporation KCC License #: 31769 Permit #: S-005

Address: 25090 West 100<sup>th</sup> Terrace, Olathe, Kansas 66061

Phone: 913-254-6363 Fax: 913-768-4924

Underground Porosity Gas Storage Facility Name: Liberty North Gas Storage Field

Storage Facility Address: 2 miles east of Liberty, Kansas

County(s) in which the field is located: Montgomery County, Kansas

Legal description of the underground storage facility: E/2 and E/2 SW/4 and SW/4 SW/4 of

Section 21; S/2 and S/2 N/2 of Section 22; N/2 NE/4 of Section 27; all of Section 28; E/2 E/2 of

Section 29; E/2 and SE/4 NW/4 of Section 32; all of Section 33; W/2 of Section 34; Township 33 South,

Range 17 East

Atmos Energy Corporation submitted an application for a Fully Authorized Operating Permit for the Liberty North Gas Storage Field on January 1, 2006. Based on a review of that application and supplemental information and documentation provided by the operator, the KCC hereby grants a Fully Authorized Operating Permit for the injection, storage, and withdrawal of hydrocarbon gas into the above described underground porosity gas storage facility under the following conditions:

Underground Porosity Gas Storage Reservoir Conditions

Storage Zone	Approximate Depth	Maximum authorized reservoir bottom hole shut in pressure (psia)	Maximum authorized wellhead shut in pressure (psig)	Maximum authorized storage volume at 14.73 psia and 60°F (shall not exceed MCFG)	Maximum injection pressure*
Squirrel Sandstone	440 - 530 feet	227	225	4,800	225

\* Based on fracture gradient data

Currently utilized underground porosity gas storage field pressures:

Maximum DOT/KCC surface equipment rating: 275 psi

Maximum wellhead injection pressure: 225 psig





**THE KANSAS CORPORATION COMMISSION  
CONSERVATION DIVISION**

**Underground Porosity Gas Storage Facility Fully Authorized Operating Permit**

As of the issuing date of this permit, a total of 41 gas storage wells are approved for use in the operation of this facility. Those wells are listed in Appendix A, which is attached and made part of this permit.

In addition to the conditions listed above, this permit is subject to the following:

- All applicable KCC regulations. K.A.R 82-3-100 et seq.
- All exceptions, special conditions, and agreements which are attached to and made part of this permit.
- This permit is issued based on the information provided to the Conservation Division as of the issue date. Any changes, modifications, or deviations to the UPGS facility from the information provided prior to the issuing date must be reported, and may require an application for amendment to the permit.

This permit may not be transferred without the written approval of the Conservation Division. This permit may be modified, suspended, or cancelled by the Commission after notice and opportunity for hearing.

**Exceptions, Special Conditions, and Agreements attached to and made a part of this Permit**

- Atmos will conduct an annual fly-over aerial survey of the storage fields to look for dead or distressed vegetation that may indicate a line leak, casing leak or loss of reservoir containment via an improperly plugged borehole. The annual survey will be conducted between April 15 and July 1 of each calendar year and will be used to identify areas for a follow-up ground survey with a gas detector. The Conservation Division will be provided 10 day advanced notice prior to the aerial survey. The results of this survey will be reported in the annual safety plan review. Any leak or loss of containment will be reported as required under KAR 82-3-1006.

Atmos will continue to pursue lease acquisition for acreage outside the currently permitted storage field boundary and as identified in the Fully Authorized Operating Permit application. The additional acreage to be obtained is listed in Appendix B, which is attached and made part of this permit. Atmos will provide




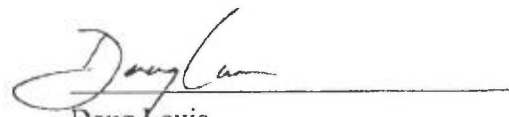
**THE KANSAS CORPORATION COMMISSION  
CONSERVATION DIVISION**

**Underground Porosity Gas Storage Facility Fully Authorized Operating Permit**

quarterly updates to the Conservation Division on the progress of the lease acquisition until all required leases are obtained. These updates may be transmitted via email and consist of a summary spreadsheet that identifies the progress made. Upon acquisition of the identified acreage, the quarterly updates will no longer be required.

- Atmos will update the Area of Review (AOR) and PSG-8 Tabular summaries on an annual basis, and shall include any new acreage acquisitions during that calendar year. The updated AOR and PSG-8 Tabular summaries shall be submitted by February 15th of the following year and be sealed by a professional engineer or professional geologist licensed in the State of Kansas.
- Atmos shall submit a revised Statement of Property Rights by February 15th that covers any additional storage lease acreage acquired during the previous year.
- Atmos shall submit an updated MIT schedule during the annual safety plan review.
- The Detar 1 and Detar 2 wells are required to be plugged on or before December 31, 2011.

  
Missy Harmon  
Underground Porosity Gas Storage

  
Doug Louis  
Director, Conservation Division

Date Issued: July 21, 2011



## Appendix A

### Gas Storage Wells Permitted to Operate in the Liberty North Storage Field

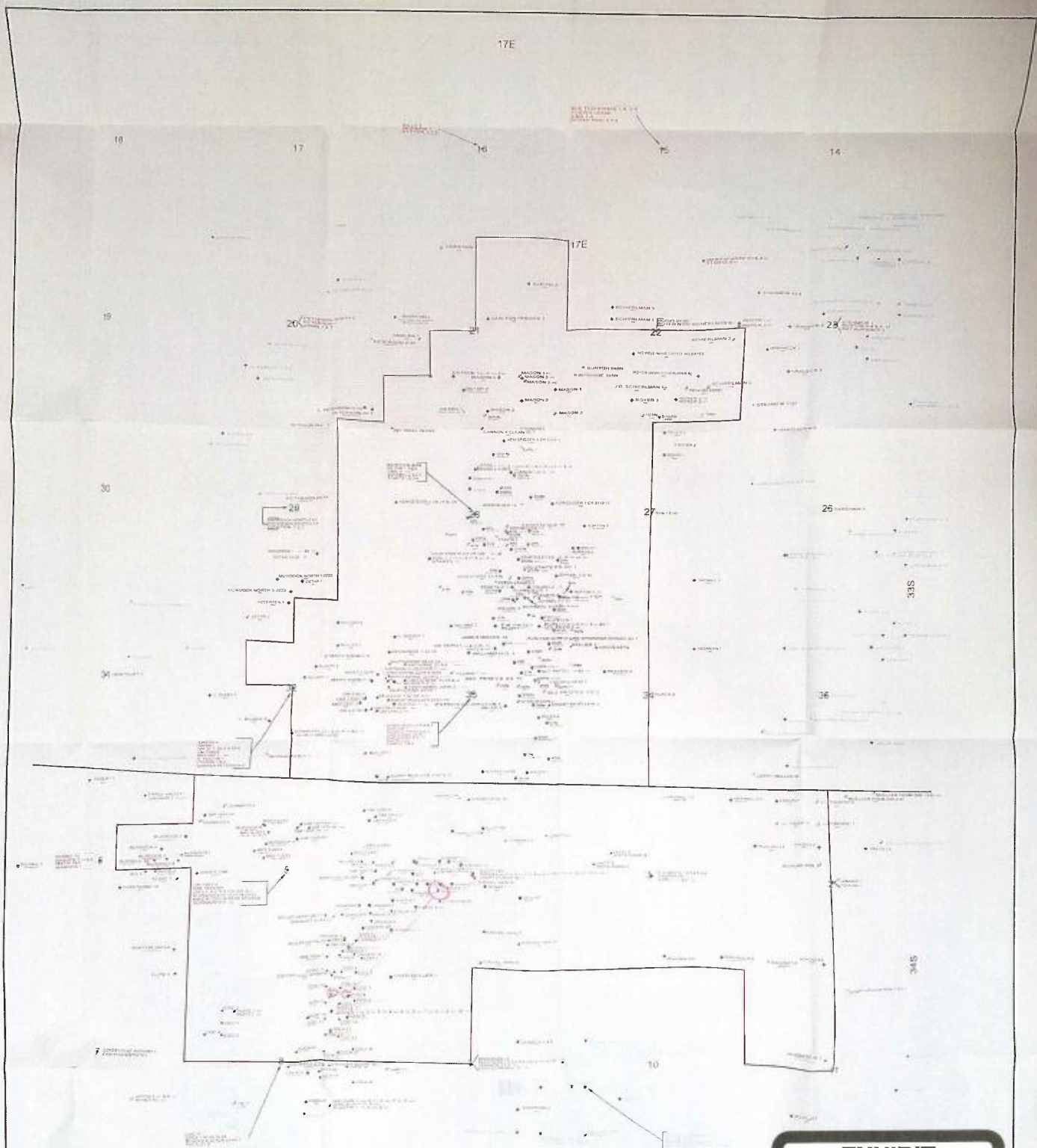
Ext #	Current Well Identification Information			Footage Location		Well Type	Well Status	Section	Township	Range	Direction	County
	API WELL #	Well Name	Well #	FSL	FEL							
1	15-125-19934-00-00	LN	1	4945	986	GW	AI	33	33	17	E	MG
2	15-125-19935-00-00	LN	03	4820	550	GSO	AI	33	33	17	E	MG
3	15-125-19936-00-00	LN	7	859	1056	GW	AI	33	33	17	E	MG
4	15-125-19937-00-00	LN	11	4820	2021	GW	AI	33	33	17	E	MG
5	15-125-19938-00-00	LN	14	4069	1726	GW	AI	33	33	17	E	MG
6	15-125-19939-00-00	LN	20	3502	1041	GW	AI	28	33	17	E	MG
7	15-125-19940-00-00	LN	O21	1280	130	GSO	AI	28	33	17	E	MG
8	15-125-19941-00-00	LN	22	2182	1013	GW	AI	28	33	17	E	MG
9	15-125-19942-00-00	LN	27	3230	1185	GW	AI	33	33	17	E	MG
10	15-125-19943-00-00	LN	29	3503	1408	GW	AI	33	33	17	E	MG
11	15-125-19944-00-00	LN	34	126	1445	GW	AI	28	33	17	E	MG
12	15-125-19945-00-00	LN	35	169	1109	GW	AI	28	33	17	E	MG
13	15-125-19946-00-00	LN	O38	175	70	GSO	AI	28	33	17	E	MG
14	15-125-19947-00-00	LN	40	2544	2811	GW	AI	28	33	17	E	MG
15	15-125-19948-00-00	LN	41	2201	2388	GW	AI	28	33	17	E	MG
16	15-125-19949-00-00	LN	45	1761	2355	GW	AI	28	33	17	E	MG
17	15-125-19952-00-00	LN	O65	150	1300	GSO	AI	33	33	17	E	MG
18	15-125-19955-00-00	LN	98	937	1874	GW	AI	28	33	17	E	MG
19	15-125-19956-00-00	LN	99	2247	840	GW	AI	33	33	17	E	MG
20	15-125-19927-00-01	LN	O102	148	2685	GSO	AI	22	33	17	E	MG
21	15-125-29904-00-00	LN	200	2126	1690	GW	AI	28	33	17	E	MG
22	15-125-29903-00-00	LN	201	1624	1532	GW	AI	28	33	17	E	MG
23	15-125-29901-00-00	LN	202	1958	2685	GW	AI	28	33	17	E	MG
24	15-125-29902-00-00	LN	203	1304	1322	GW	AI	28	33	17	E	MG
25	15-125-29905-00-00	LN	204	756	1281	GW	AI	28	33	17	E	MG
26	15-125-29906-00-00	LN	205	368	1857	GW	AI	28	33	17	E	MG
27	15-125-29908-00-00	LN	206	2618	1244	GW	AI	33	33	17	E	MG
28	15-125-29909-00-00	LN	207	2991	786	GW	AI	33	33	17	E	MG
29	15-125-29910-00-00	LN	208	3369	860	GW	AI	33	33	17	E	MG
30	15-125-29907-00-00	LN	209	3817	988	GSO	AI	33	33	17	E	MG
31	15-125-29968-00-00	LN	300	3140	1000	GSO	AI	28	33	17	E	MG
32	15-125-29967-00-00	LN	301	3780	1500	GW	AI	28	33	17	E	MG
33	15-125-29968-00-00	LN	302	4380	2150	GW	AI	28	33	17	E	MG
34	15-125-30015-00-00	LN	400	3130	1980	GW	AI	28	33	17	E	MG
35	15-125-30016-00-00	LN	401	3380	2780	GW	AI	28	33	17	E	MG
36	15-125-30017-00-00	LN	402	5080	200	GW	AI	33	33	17	E	MG
37	15-125-30018-00-00	LN	403	4480	200	GW	AI	33	33	17	E	MG
38	15-125-30019-00-00	LN	404	4080	350	GW	AI	33	33	17	E	MG
39	15-125-30020-00-00	LN	405	1350	750	GW	AI	33	33	17	E	MG
40	15-125-30021-00-00	LN	406	730	350	GW	AI	33	33	17	E	MG
41	15-125-19931-00-00	Elliot	O34	3960	2340	GW	AI	4	34	17	E	MG

## **Appendix B**

### **Lease Acreage to be Obtained**

- S/2 NW/4 and the SW/4 of Section 23, Township 33 South, Range 17 East
- NW/4 of Section 26, Township 33 South, Range 17 East
- SE/4 of Section 27, Township 33 South, Range 17 East
- NW/4 of Section 34, Township 33 South, Range 17 East





**ATMOS energy**

Liberty North & South Storage Facility  
Well Location Map

0 500 1000  
Feet

Primary Lease Boundary for Storage Pools

Map prepared by:  
Liberty Energy Services, Inc.

Exhibit 4C-1b  
October 6, 2009

**LEGEND**

WELL STATUS  
WELL PAK TYPE  
• GAS  
• OIL  
• DRY  
• SALT WATER  
• PULVERIZED  
• GAS/WATER  
• WATER WELL  
• LOCATION

Note: Producing Conventional reserves based on 100% NGL, and gas and oil's top.



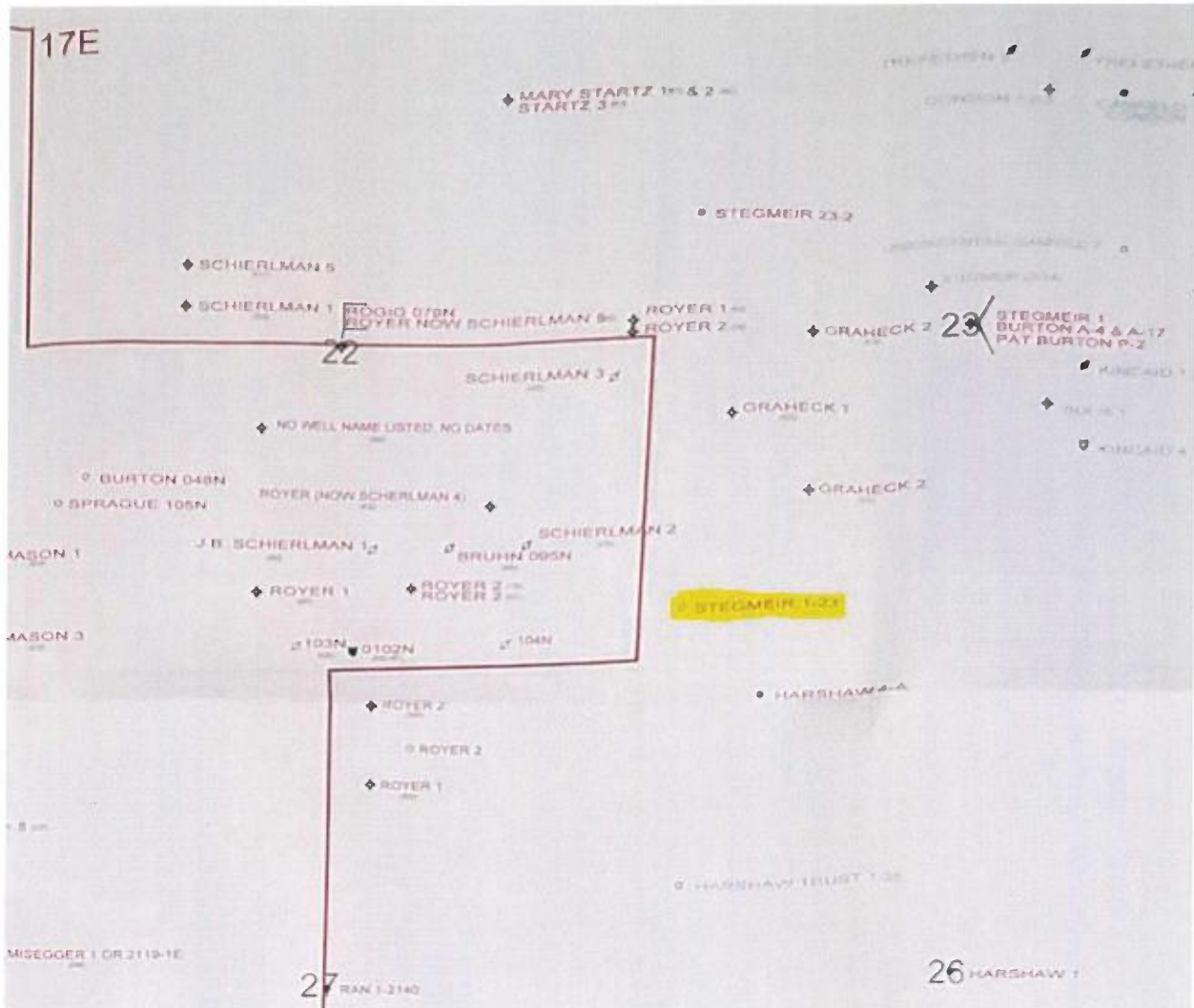
**EXHIBIT**

**B**

tabbles

**Exhibit B**  
(continued)

Portion of Atmos Well Location Map enlarged around Stegmeir 23-1 well:





Confidentiality Requested:

☐ Yes ☒ No

KANSAS CORPORATION COMMISSION 1312444  
OIL & GAS CONSERVATION DIVISION

Form ACO-1

August 2013

Form must be Typed

Form must be Signed

All blanks must be Filled

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 32887  
Name: Endeavor Energy Resources, LP  
Address 1: 110 N MARIENFELD, STE 200  
Address 2:  
City: MIDLAND State: TX Zip: 79701 +  
Contact Person: Joe Driskill  
Phone: (918) 467-3111  
CONTRACTOR: License # 33961  
Name: Consolidated Oil Well Services LLC  
Wellsite Geologist: NA  
Purchaser:

Designate Type of Completion:

- ☐ New Well ☐ Re-Entry ☒ Workover
- ☐ Oil ☐ WSW ☐ SWD ☐ SIOW  
☒ Gas ☐ D&A ☐ ENHR ☐ SIGW  
☐ OG ☐ GSW ☐ Temp. Abd.  
☐ CM (Coal Bed Methane)  
☐ Cathodic ☐ Other (Core, Expl., etc.):

If Workover/Re-entry: Old Well Info as follows:

Operator: Endeavor Energy Resources, LP  
Well Name: Stegmeir

Original Comp. Date: 02/10/2006 Original Total Depth: 930

- ☐ Deepening ☒ Re-perf. ☐ Conv. to ENHR ☐ Conv. to SWD  
☒ Plug Back ☐ Conv. to GSW ☐ Conv. to Producer

- ☐ Commingled Permit #: \_\_\_\_\_  
☐ Dual Completion Permit #: \_\_\_\_\_  
☐ SWD Permit #: \_\_\_\_\_  
☐ ENHR Permit #: \_\_\_\_\_  
☐ GSW Permit #: \_\_\_\_\_

04/19/2011 04/19/2011  
Spud Date or Date Reached TD Completion Date or  
Recompletion Date Recompletion Date

API No. 15 - 15-099-23792-00-01

Spot Description: 70' N OF SWSWSW  
SW SW SW Sec. 23 Twp. 33 S. R. 17 ☒ East ☐ West  
400 Feet from ☐ North / ☒ South Line of Section  
330 Feet from ☐ East / ☒ West Line of Section

Footages Calculated from Nearest Outside Section Corner:

☐ NE ☐ NW ☐ SE ☒ SW

GPS Location: Lat: \_\_\_\_\_ Long: \_\_\_\_\_  
(e.g. xx.xxxxx) (e.g. -xxx.xxxxx)

Datum: ☐ NAD27 ☐ NAD83 ☐ WGS84

County: Labette

Lease Name: STeGMEIR Well #: 23-1

Field Name: Coffeyville

Producing Formation: Summit-Mulky

Elevation: Ground: 783 Kelly Bushing: 788

Total Vertical Depth: 930 Plug Back Total Depth: 440

Amount of Surface Pipe Set and Cemented at: 42 Feet

Multiple Stage Cementing Collar Used? ☐ Yes ☒ No

If yes, show depth set: \_\_\_\_\_ Feet

If Alternate II completion, cement circulated from: \_\_\_\_\_

feet depth to: \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: \_\_\_\_\_ ppm Fluid volume: \_\_\_\_\_ bbls

Dewatering method used: \_\_\_\_\_

Location of fluid disposal if hauled offsite: \_\_\_\_\_

Operator Name: \_\_\_\_\_

Lease Name: \_\_\_\_\_ License #: \_\_\_\_\_

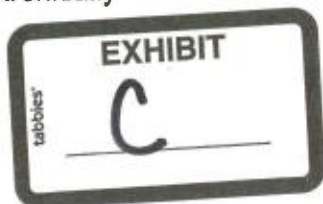
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_ ☐ East ☐ West

County: \_\_\_\_\_ Permit #: \_\_\_\_\_

AFFIDAVIT

I am the affiant and I hereby certify that all requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Submitted Electronically



KCC Office Use ONLY

☐ Confidentiality Requested

Date: \_\_\_\_\_

☐ Confidential Release Date: \_\_\_\_\_

☐ Wireline Log Received

☐ Geologist Report Received

☐ UIC Distribution

ALT ☐ I ☒ II ☐ III Approved by: Karen Ritter Date: 07/22/2016

1312444

Operator Name: Endeavor Energy Resources, LPLease Name: STeGMEIRWell #: 23-1Sec. 23 Twp. 33 S. R. 17 ☐ East ☐ WestCounty: Labette

**INSTRUCTIONS:** Show important tops of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed.

Final Radioactivity Log, Final Logs run to obtain Geophysical Data and Final Electric Logs must be emailed to kcc-well-logs@kcc.ks.gov. Digital electronic log files must be submitted in LAS version 2.0 or newer AND an image file (TIFF or PDF).

Drill Stem Tests Taken ☐ Yes ☒ No  
(Attach Additional Sheets)

Samples Sent to Geological Survey ☐ Yes ☒ No

Cores Taken ☐ Yes ☒ No

Electric Log Run ☐ Yes ☒ No

List All E. Logs Run:

☒ Log Formation (Top), Depth and Datum ☐ Sample

Name	Top	Datum
Oswego	347	436
Squirrel	454	329
Bartlesville	667	116
Rowe	822	-39

CASING RECORD ☐ New ☐ Used

Report all strings set-conductor, surface, intermediate, production, etc.

Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives

## ADDITIONAL CEMENTING / SQUEEZE RECORD

Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
Perforate				
Protect Casing				
Plug Back TD				
Plug Off Zone				

Did you perform a hydraulic fracturing treatment on this well? ☒ Yes ☐ No (If No, skip questions 2 and 3)

Does the volume of the total base fluid of the hydraulic fracturing treatment exceed 350,000 gallons? ☐ Yes ☒ No (If No, skip question 3)

Was the hydraulic fracturing treatment information submitted to the chemical disclosure registry? ☐ Yes ☐ No (If No, fill out Page Three of the ACO-1)

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
2	380-382	10,000# 20/40 sd	
2	410-412	500 bbls gel water	

TUBING RECORD: Size: 2.375 Set At: 410 Packer At:   Liner Run: ☐ Yes ☒ No

Date of First, Resumed Production, SWD or ENHR.  
10/10/2010

Producing Method:

☐ Flowing ☒ Pumping ☐ Gas Lift ☐ Other (Explain)  

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
		20	500		

## DISPOSITION OF GAS:

☐ Vented ☒ Sold ☐ Used on Lease  
(If vented, Submit ACO-18.)

## METHOD OF COMPLETION:

☐ Open Hole ☒ Perf. ☐ Dually Comp. ☐ Commingled  
(Submit ACO-5) (Submit ACO-4)  
☐ Other (Specify)  

## PRODUCTION INTERVAL:

Form	ACO1 - Well Completion
Operator	Endeavor Energy Resources, LP
Well Name	STeGMEIR 23-1
Doc ID	1312444

Casing

Purpose Of String	Size Hole Drilled	Size Casing Set	Weight	Setting Depth	Type Of Cement	Number of Sacks Used	Type and Percent Additives



Ticket Number: 115-004450

CUSTOMER INFORMATION		WELL INFORMATION	
Customer Name:	Enduser Energy Resources LP	Well Name and Number:	Slighair No. 23-1
Invoice Address:		County:	Labette
		State:	KS
		Legal Description:	SW SW SW 400' FSL & 330' FWL Sec. 23-33S-17E
Contact:	Joe Driskill		
Phone:	918-440-4370	Fax:	

WELL BORE INFORMATION				
Casing Size 4.5"	Casing Weight 10.5 #/ft	Casing Depth 924'	Type Fluid Water	Fluid Level 135'
Operator Childress	Engineer Davidson	Top Of Cement	Total Gums/Shaft	Purchase Order No.

(SIGNATURE HEREIN IS ACCEPTANCE OF TERMS AND CONDITIONS PRINTED ON REVERSE SIDE)

I certify that the services listed below have been performed to my satisfaction, that all zones perforated were designated by me and all depth measurements checked and approved. I have read and understand terms and conditions as outlined on reverse of this ticket.

Customer or Authorized Representative Signature

[illegible]

PRICES SHOWN ARE ESTIMATES AND SUBJECT TO CHANGE BY ACCOUNTING DEPARTMENT DISCOUNTS DO NOT APPLY TO CHECKS RETURNED INSUFFICIENT FUNDS

# Elite WIRELINE

REMIT TO: P.O. BOX 160 • SKIATOOK, OK 74070 • (918) 396-3331 • FAX (918) 396-3393

CONDITIONS OF THIS CONTRACT

1. Elite Wireline, Inc., whose main office is 2749 E. 186th St. N. (P.O. Box 160), Skiatook, OK shall furnish the services and materials and equipment herein set forth upon the terms and conditions below.
2. The above signed, as customer, agrees to pay Elite Wireline, Inc. for the services and/or materials ordered hereunder at the address set forth above. Discount terms may be available for prompt payment. Any balance on this account not paid within the term fixed by the invoice shall accrue interest at the rate of eighteen per cent (18%) per annum from the invoice date. In the event that Elite Wireline, Inc. employs an attorney to enforce claims of indebtedness against said customer, the customer shall pay all costs of collection including a reasonable attorney fee.
3. Elite Wireline, Inc. shall perform the above-described work as an independent contractor. It is understood and agreed that Elite Wireline, Inc. does not guarantee the results of its service and shall not be liable for injury to persons or to property of well owners and/or customers unless the same is caused by Elite Wireline, Inc. willful negligence. This provision applies, but is not limited to, sub surface and/or surface damage arising from sub-surface damage. Well owner and/or customer shall be responsible for and secure Elite Wireline, Inc. against any and all liability incurred for reservoir loss or damage and personal or property damage arising from a well blow-out. The well-owner, customer or drilling company shall pay for the actual tools, instruments or equipment belonging to Elite Wireline, Inc. are lost or destroyed in the rendition of services, customer shall use all reasonable diligence and facilities available to be recover the same. Customer shall reimburse Elite Wireline, Inc. for the reasonable value of any tools, instruments or other personal property belonging to Elite Wireline, Inc. that cannot be recovered within sixty (60) days or the cost of repairing any damage to items recovered.
4. Customer agrees that all depth measurements shall be made by it or its employees, and shall be supervised by customer or its employees.
5. Customer certifies that it is the owner of the well on which the work herein ordered shall be done and that the well on which the work shall be done is in proper and suitable condition for the performance of said work.
6. Customer agrees that the terms and conditions herein set forth constitute the entire agreement and this agreement shall be construed in accordance with the laws of the State of Oklahoma.
7. This contract shall be performed in all respect in accordance with the rules and regulations promulgated and published by the Nuclear Regulatory Commission ("NRC"). Customer shall file a Lost Source Agreement with the NRC and in that regard shall make every attempt to retrieve the source or plug the well in accordance with NRC rules and regulations.
8. This agreement shall not be modified unless by written amendment executed by the undersigned customer.
9. The customer acknowledges that his signature hereon signifies that he has read and understood the terms of this contract.