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 Lottie #2 well located in the NE SW NE SW of Sec 1, T16S, R30W Lane County, Kansas. Docket No. 20-CONS- ³¹⁹⁸ -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 Lottie #2 well, API #15-101-20979-0000 which is located in the Northeast Quarter of the Southwest Quarter of the Northeast Quarter of the Southwest Quarter of Section 1, Township 16 South, Range 30 West, Lane County, Kansas. The subject well is located on an active oil and gas lease comprising the following lands: The Southwest Quarter of Section 1, Township 16 South, Range 30 West, Lane County, Kansas.

4. Pursuant to K.A.R. 82-3-111, Operator obtained temporary abandonment status for the Lottie #2 on November 25, 1996. The subject well has maintained such status from November 1996 to the present date.

5. On or about December 10, 2019, 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 10-year limitation exception was expiring on or about January 9, 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 12, 2019.

8. Operator is keeping the subject well for potential use as a water injection well. Applicant operates an adjacent lease, the Missionary Lease, which produces from the same common source of supply, and Operator plans to unitize these leases in order to initiate a waterflood. The subject well should not be plugged to prevent economic waste associated with re-drilling for future needs as an injection well. Estimated cost to plug this well is \$20,000. The cost to restore the well to injection capability is estimated to be \$100,000. Production from the Lottie Lease is around 0.2 BOPD with cumulative primary recoveries equal to approximately 16,800 barrels of oil. The Missionary Lease is currently producing around 5 BOPD with cumulative primary recoveries of approximately 348,000 barrels of oil. Operator estimates that

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potential maximum secondary and tertiary recoveries will be equal to the total primary recoveries of these leases.

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 is one active producing well and the subject well on the lease.

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).

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.

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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: <u>Jan Hayard</u> Signature of Submitter

State of Kansas) SS: County of Lane)

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: Signature of Submitter

SUBSCRIBED AND SWORN to before me this

day of January, 2020.

Notary Public

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My Appointment Expires:

JESSE FENDORF NOTARY PUBLIC STATE OF KANSAS A DALLAR TO 11-41 My Appt. Exp. 12-16-

12-16-2020

CERTIFICATE OF SERVICE

I hereby certify on this $\underline{g^{th}}$ day of $\underline{January}$, 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.

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EXHIBIT A

Lottie #2 notice area

<u> Operator – W/2 Sec. 1, NE/4 Sec. 2-16S-30W</u>

Leasehold owner - SE/4 Sec. 2, NW/4 Sec. 12-16S-30W

Berexco LLC 2020 N. Bramblewood Wichita, KS 67202

Unleased mineral owners - NE/4 Sec. 1-16S-30W

Robert W. Rush 78 Southfork Rd. Cody, WY 82414-9478

Doroty A. Bjorklund 5965 W. 23rd St. Greeley, CO 80634

Operator - SE/4 Sec. 1-16S-30W

Wilton Petroleum, Inc. P. O. Box 391 Canton, KS 67428

<u>Unleased mineral owner – NE/4 Sec. 11-16S-30W</u>

Forest Valley Trust c/o Kenneth York, Co-Trustee 272 N. Dodge Road Healy, KS 67850

<u>Unleased mineral owners – NW/4 Sec. 12-16S-30W</u>

Forest Valley Trust AS ABOVE

M&M Trust c/o F. Michael York, Co-Trustee 217 Cheyenne Road Healy, KS 67850

Curtis L. & Mary F. York 64 W. Road 230 Healy, KS 67850 Henry Forest York Trust c/o Curtis L. York 64 W. Road 230 Healy, KS 67850

Dwight A. York P. O. Box 218 Healy, KS 67850

Dorothy A. York Trust Dwight A. York, Co-Trustee P. O. Box 218 Healy, KS 67850

Unleased mineral owner - NE/4 Sec. 12-16S-30W

D&E Roemer Farms, L.L.C. 262 N. Dodge Road Healy, KS 67850

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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 Lottie #2 well, located in Lane 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 Lottie #2 well located in the NE SW of Section 1-16S-30W, Lane 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



