BEFORE THE KANSAS CORPORATION COMMISSISON OF THE STATE OF KANSAS

In the matter of the Application of Thresher Energy) Inc for an exception to the) 10-year time limitation of K.A.R. 82-3-111 for its) Baumfalk 4 well located in the NW/4 of Section 22,) Township 1 South, Range 33 West, Rawlins County,) Kansas.) Docket No. 22-CONS-3079-CEXC

CONSERVION DIVISION

License No.: 35820

APPLICATION

COMES NOW Taos Resources Operating Company LLC (Applicant) in support of its application in the captioned matter and states as follows:

1. Applicant is a Limited Liability Company authorized to do business in the

State of Kansas. Applicant's address is 10700 North Freeway, Suite 930, Houston,

Texas 77037.

2. Applicant has been issued by the Kansas Corporation Commission Operator's License 33372, which expires on February 28, 2019.

3. Applicant is the owner and operator of the Baumfalk 4 well, API #15-153-

20684-00-01 (the subject well), which is located in the NW/4 of Section 22, Township 1 South, Range 33 West, Rawlins County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands: Section 22, Township 1 South, Range 33 West, Rawlins County, Kansas, containing 800.0 acres, more or less (leased premises).

4. Pursuant to K.A.R. 82-3-111, the well was shut in, or Applicant obtained temporary abandonment status, for the subject well on May 01, 2004. The subject well

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has maintained such status from May 01, 2004, to the present date.

5. On or about April 5th, 2021, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after April 5th, 2021, because subject well has 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 exception.

7. On March 22, 2018, the subject well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within fifty (50) feet above the uppermost perforation or open hole in the well.

8. Applicant wishes to continue TA status for the subject well, because Applicant intends to use the well for the following purpose:

The well will remain shut-in for the immediate future. The well is currently under evaluation to be recompleted as a producer or converted to a disposal well.

9. Applicant submits the following information regarding the well in support of the Application:

a. The lease consists of the following wells:

17 producers5 WIW's1 WSW3 TA'ed

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- Estimated cost to P&A the Baumfalk 4 \$18,000
 Estimated cost to P&A the remaining wells on the lease \$450,000
- c. Current lease production rate -30 BOD
- d. There is an estimated 114,520 BBLS remaining reserves, based on current decline curve analysis
- e. Flowline has already been laid. Will need to remove CIBP, run tubing and packer and acidize.
- f. Estimated cost \$50,000

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.

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

12. 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 onehalf (1/2) mile radius of the subject well; and
- B. Each person who owns any mineral interests of record in and under any lands located within one-half (1/2) mile radius of subject well

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(Provided that such material interests is not covered by any oil and gas lease).

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 manner 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,

Thresher Energy Inc.
10700 North Freeway
Suite 930
Houston, Texas 77037
Ву
Becky Rojas

CERTIFICATE OF SERVICE

I hereby certify on this 10th day of August 2021, true and correct copies of the above and foregoing Application and the Notice of Application were served by depositing copies of the same in the United States Mail, postage prepaid, and properly addressed to the landowner/s set forth in paragraph 14 of said Application and each party set forth in Exhibit "A" attached to said Application filed by Applicant, and the original and seven (7) copies were hand delivered to the Kansas Corporation Commission.

Becky Rojas

EXHIBIT A

A. Each operator of each oil and gas lease covering lands within one-half (1/2) mile

radius of the subject Well are identified below:

SE/4 16, SW/4 15, W/2 Sec 21 & NW/4 Sec 22: Taos Resources Operating Company LLC 10700 North Freeway, Suite 930 Houston, Texas 77037

S/2 Sec 22: Downing Nelson Oil Company 111 West 10th Street Hayes, Kansas 67601

SE/4 15 & NE/4 22: Double Eagle Development 1401 Ballinger, Suite 200 Fort Worth, Texas 76102

B. Each person who owns any mineral interests of record in and under any lands located within one-half (1/2) mile radius of subject well (provided that such material interests is not covered by any oil and gas lease) are identified below:

SECTION 22, T1S-R33W

<u>NE/4:</u>

Randall & Carolyn Timm Trust 4977 Road 2350 Ludell, KS 67744

<u>NW/4:</u>

Allan M. & Dianne C. Vap 2531 Road 22 Ludell, KS 67744

<u>S/2:</u>

Norma Jean Huss Trust #1

5001 Road 29 Herndon, KS 67744

SECTION 21, T1S-R33W

<u>W/2:</u>

Blanche O. Vap 3530 Road 22 Ludell, KS 67744

Daniel S. Vap Trust 3530 Road 22 Ludell, KS 67744

C. The name and address of the landowner on whose land the well affected by this

Application is located is identified below:

NW/4:

Allan M. & Dianne C. Vap 2531 Road 22 Ludell, KS 67744

BEFORE THE STATE CORPORATION

COMMISSION OF THE STATE OF KANSAS

NOTICE OF FILING APPLICATION

RE: Taos Resources Operating Company LLC – Application for an exception to the 10 year time limitation of K.A.R. 82-3-111 for the Baumfalk 4 well, located in Rawlins County, Kansas.

TO: All oil and gas producers, unleased mineral interest owners, landowners, and all persons whomever concerned.

You, and each of you, are hereby notified that Taos Resources Operating Company LLC has filed an Application for an exception to the 10 year time limitation of K.A.R. 82-3-111 for the Baumfalk 4 well located in the NW SE NW of Section 22-1-33W, Rawlins County, Kansas.

Any persons who object to or protest this Application shall be required to file their objections or protests 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 reason why the granting 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.

Taos Resources Operating Company LLC 10700 North Freeway Suite 930 Houston, Texas 77037 (713) 993-0774