

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

Before Commissioners:                      Mark Sievers, Chairman  
   Thomas E. Wright  
   Shari Feist Albrecht

In the matter of the application of McElvain	)	Docket No. 13-CONS-485-CHOR
Energy, Inc for an Order Permitting the	)	
Drilling of a Well to be Drilled Horizontally in	)	CONSERVATION DIVISION
the Pawnee Formation, pursuant to K.A.R. 82-	)	
3-103a, Upon Certain Lands Located in Trego	)	License No. 9810
County, KS.	)	

**ORDER GRANTING AMENDED APPLICATION**

The above captioned matter comes before the State Corporation Commission of the State of Kansas for consideration and determination. Having examined its files and records, and being duly advised in the premises, the Commission makes the following findings:

**I. JURISDICTION**

1. K.S.A. 74-623 provides that the Commission has the exclusive jurisdiction and authority to regulate oil and gas activities.
2. K.S.A. 55-155 provides licensing authority to the Commission.
3. K.A.R. 82-3-103a provides that any hole drilled horizontally into a formation for production may only be permitted after application and notice under K.A.R. 82-3-135a.

**II. FINDINGS OF FACT**

1. Commission records indicate the operator is currently licensed to conduct oil and gas activities in Kansas under K.S.A. 55-155.
2. The operator filed an application on June 18, 2013 requesting permission to drill its proposed Schlegel 9 #3H well in Trego County, Kansas to produce from the Pawnee formation.

3. The operator verified that notice of the original application was properly served and published, as required under K.A.R. 82-3-135a, at least 15 days before the issuance of this Order. No protests under K.A.R. 82-3-135b were filed.

4. On July 16, 2013, the Commission issued an Order granting the application.

5. On July 30, 2013, the operator filed an amended application, seeking to change the surface location and bottom hole location of the well. The amended application states that the surface location will be in the Southeast Quarter of the Southwest Quarter of Section 9, Township 11 South, Range 22 West, and the bottom hole location will be in the Northeast Quarter of the Northwest Quarter of that Section. The surface and bottom hole locations in the original application have been switched in the amended application.

6. The amended application states that the entire completion interval of the horizontal wellbore will comply with the applicable setback requirement under K.A.R. 82-3-108.

### **III. CONCLUSIONS OF LAW**

7. The Commission has jurisdiction over the operator and this matter.

8. The amended application was filed in accordance with the rules and regulations of the Commission and Kansas statutes.

9. Because the only change to the application is switching the surface and bottom hole locations of the well, notice of the original application remains effective with regard to the amendment, and additional notice of the amendment need not be provided.

10. Based on the available facts, the Commission finds that the amended application should be granted to prevent waste and protect correlative rights.

**THEREFORE, THE COMMISSION ORDERS:**

A. The amended application is granted with regard to the changed location, and the original order in this docket otherwise remains effective.

B. This Order is a summary proceeding pursuant to K.S.A. 77-537, which provides in paragraph (b)(4) that summary proceedings are not effective until the time for requesting a hearing has expired. K.S.A. 77-542 provides that a request for hearing shall be filed within 15 days of any agency notice resulting in a right to request a hearing. If service of this Order is by mail, three days are added to the deadline. Any party taking an action permitted by this summary proceeding before the deadline for requesting a hearing has expired shall be deemed to have waived their right to a hearing pursuant to K.S.A. 77-504.

C. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 130 South Market, Room 2078, Wichita, Kansas 67202-3802. Pursuant to K.S.A. 55-606, K.S.A. 66-118b, and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action permitted by this summary proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

D. The Commission retains jurisdiction of the subject matter and the parties and may enter additional orders as it deems appropriate.

**BY THE COMMISSION IT IS SO ORDERED.**

Sievers, Chmn.; Wright, Com.; Albrecht, Com.

Date: AUG 13 2013



Kim Christiansen  
Executive Director

Date Mailed: 8-14-2013

LRP

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

AUG 13 2013



**CERTIFICATE OF SERVICE**

I certify that on 8-14-2013, 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:

David E. Bengston  
Stinson Morrison Hecker LLP  
1625 N. Waterfront Parkway, Suite 300  
Wichita, Kansas 67206-2260  
*Attorneys for McElvain Energy, Inc*

Kate Conway  
McElvain Energy, Inc.  
1050 17<sup>th</sup> Street, Suite 2500  
Denver, Colorado 80265-2080

Case Morris  
KCC District #4 Office

And by hand delivery to the following:

Jim Hemmen, Research Analyst  
Production Department, Central Office

/s/ Lane R. Palmateer  
Lane R. Palmateer  
Litigation Counsel  
Kansas Corporation Commission