

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

17-CONS-3026-CWLE

IN THE MATTER OF THE APPLICATION)	Docket No. 16-CONS-3026-CWLE
OF KENT A. DEUTSCH, D/B/A DEUTSCH OIL)	
COMPANY AND GLOBE OPERATING, INC.,)	
FOR A WELL LOCATION EXCEPTION FOR)	License No. 3180 (Deutsch)
THE MORRISON A, MORRISON B, AND BATMAN)	License No. 6170 (Globe)
MORRISON #1 WELLS IN E/2 NE/4 OF SECTION)	
28-21-13, STAFFORD COUNTY, KANSAS)	Conservation Division
)	

APPLICATION

Kent Deutsch d/b/a Deutsch Oil Co. ("Deutsch") and Globe Operation, Inc. ("Globe") submit this Application, pursuant to K.A.R. § 82-3-108, for well location exception and for the assignment of an allowable for Deutsch's Morrison A #1 and Morrison B #1 wells and the Batman-Morrison #1 unit well co-owned by Deutsch and Globe, all located in the E/2 NE/4 of Section 28, Township 21 South, Range 13 West, Stafford County, Kansas. In support of this Application, Deutsch and Globe states as follows:

1. Kent Deutsch in an individual doing business as Deutsch Oil Co., with a correct mailing address being 8100 E. 22nd No. Bldg. 600 STE. D Wichita, KS 67226.
2. Globe Operation, Inc., is a corporation duly authorized to do business within the State of Kansas, with its correct mailing address being P.O. Box 12, Great Bend, KS 67530.
3. Deutsch is the owner and operator of an oil and gas lease covering the E/2 NE/4 of Section 28, Township 21 South, Range 13 West, Stafford County, Kansas.
4. Globe is the owner and operator of an oil and gas lease covering the W/2 NE/4 of Section 28, Township 21 South, Range 13 West, Stafford County, Kansas.
5. Due to a misinterpretation of K.A.R. § 82-3-108(a), Deutsch drilled both the Morrison B #1 ("Morrison B") and Batman-Morrison #1 ("Batman-Morrison") wells within 330 feet of the production unit boundary line of the Morrison A #1 ("Morrison A") well.

6. As a result of a complaint filed against Deutsch, this Commission investigated and subsequently ordered all the wells on the E/2 NE/4 be shut-in pending an exception being considered and granted by the Commission. Deutsch shut-in all three wells July 21st, 2016.
7. The Morrison A well is a conventional well completed on April 30th, 1970, to a total depth of 3693'. The wellbore is located 4368' FSL, 979' FEL.
8. The Morrison B well is a conventional well completed on January 6th, 2013, to a total depth of 3808'. The wellbore is located 4937' FSL, 641' FEL. Initial documents provided to the KCC listed this well as the "Morrison A #2." However, the name was later changed to the "Morrison B" when the mineral ownership under the E/2 NE/4 was found not to be uniform.
9. The Batman-Morrison well is a conventional well completed on March 3rd, 2014, to a total depth of 3800'. The wellbore is located 3863' FSL, 1184 FEL.
10. The Morrison B wellbore is 325' from the north line of the 10 acre production unit boundary of the Morrison A well. The Batman-Morrison well bore is 110' from the south line of the 10 acre production unit boundary of the Morrison A well.
11. Deutsch and Globe seek an exception to the well location restrictions set out in K.A.R. § 82-3-108(a) for the Morrison A, Morrison B and Batman-Morrison wells to resume production within 330' of the production unit boundary of the Morrison A well.
12. The Morrison B and Batman-Morrison well locations were selected as the optimum locations for the drilling and operation of both wells. The proximity of the Morrison B and Batman-Morrison wells to the Morrison A well has not resulted in waste or a violation of correlative rights.

13. The producing zone in the three wells listed above is the Arbuckle formation, which is the main producing formation in the area. The Arbuckle formation is historically a strong water drive reservoir, with no pressure depletion between wells. This can be verified by the Arbuckle Structure and Arbuckle DST map. [attached as Exhibit "A"] The drill stem test bottom hole pressure on the Morrison A well was recorded at 865# (ISIP) and 836# (FSIP), the Morrison B well bottom hole pressure was recorded at 1201# (ISIP) and 1201# (FSIP), the Batman-Morrison well bottom hole pressure was recorded at 1150# (ISIP) and 1169# FSIP. This would indicate no pressure interference from well to well, and therefore would indicate no effective drainage from well to well for the 3 wells. The Arbuckle Structure map would also indicate the Morrison B and Batman-Morrison well to be on two separate structures.
14. The Morrison B well and Batman-Morrison wells were drilled on 2 well defined structural features. This is evident by the Arbuckle Structure map and the 3-D seismic map which clearly indicated 2 separate structures. [attached as Exhibits "A", "B"] These locations have not created any waste or any undue drainage.
15. A production decline curve also shows the historical production of the producing wells associated with this application. [attached as Exhibit "C"] The blue graph is the production of the Morrison A well, this well has produced 75,182 BO from 1970 to current (2 BOPD), there is no effect on the decline curve of the Morrison A from the production of the Morrison B (green graph), which has produced 15,416 BO from 2013 to 2016 and is currently shut in due to water encroachment, or the Batman-Morrison (orange graph) which has produced 13,805 BO from 2014 too present (9 BOPD). The production decline curve reveals that the addition of the Morrison B and Batman-

Morrison wells have had no effect on the production or future production of the Morrison A well.

16. Enclosed in a staking plat, and lease map with the Morrison A, Morrison B (formally A #2), and Batman-Morrison wells [attached as Exhibit “D”]
17. Deutsch and Globe believe that the granting of the requested well location exceptions has not and will not lead to economic and physical waste and will not violate correlative rights. Accordingly, Deutsch and Globe seek well location exceptions for the Morrison A, Morrison B, and Batman-Morrison wells.
18. A plat showing the location of the location of the: (1) property on which the wells are drilled; (2) all other completed, partially drilled, or permitted wells on the property; and (3) all adjacent properties and wells, is attached hereto as Exhibit “E”
19. Notice of this Application for well location exceptions will be published once in both the Wichita Eagle newspaper and the Stafford Courier newspaper.
20. Deutsch and Globe own the oil and gas leases covering the entirety of the NE/4 of Section 28, and as a result, there are no unleased minerals owners or offset operators to notify. The names and addresses of the persons owning royalty, as reflected by Deutsch and Globe’s records, are shown on Exhibit “F” attached hereto and incorporated by reference.
21. Deutsch and Globe request that the Morrison A, B and Batman-Morrison #1 wells be granted a full allowable in accordance with the rules and regulations of the Commission.

WHEREFORE, Deutsch Oil, Co. and Globe Exploration, Inc., prays that if no written protest is received by the Conservation Division within fifteen (15) days after

the notice of the Application has been duly published and served, that this Commission grant the Application, at the appropriate time in accordance with the laws of the State of Kansas and the orders of this Commission.

Matthew A. Tate

Matthew A. Tate, #26625
KEENAN LAW FIRM, P.A.
2200 Lakin, Suite B
Great Bend, Kansas 67530
(620) 793-7811/Fax: (620) 793-9762
*Attorneys for Kent A. Deutsch, d/b/a Deutsch
Oil Company and Globe Operating, Inc.*

AFFIDAVIT OF MAILING

STATE OF KANSAS)
) ss:
COUNTY OF BARTON)

Matthew A. Tate, of lawful age, being first duly sworn upon oath states:

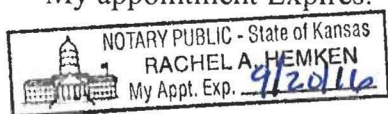
That on August 2, 2016, a true and correct copy of the Notice of Pending Application and the Application was mailed to all interested parties as set out in the foregoing Applications Exhibit "F" by depositing the same in the United States mail, postage prepaid.

Matthew A. Tate

Matthew A. Tate

SUBSCRIBED AND SWORN to before me this 2nd day of August, 2016.

My appointment Expires:



Rachel A. Hemken
Notary Public

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF BARTON)

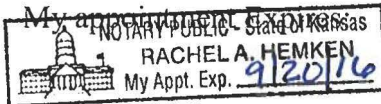
Matthew A. Tate, of lawful age, being first duly sworn upon oath states:

That he is the attorney for the Applicants named in the foregoing Application and is duly authorized to make this verification; that he has read the foregoing Application and knows the contents thereof and that the facts set forth therein are true and correct to the best of his information and belief.

Matthew A. Tate

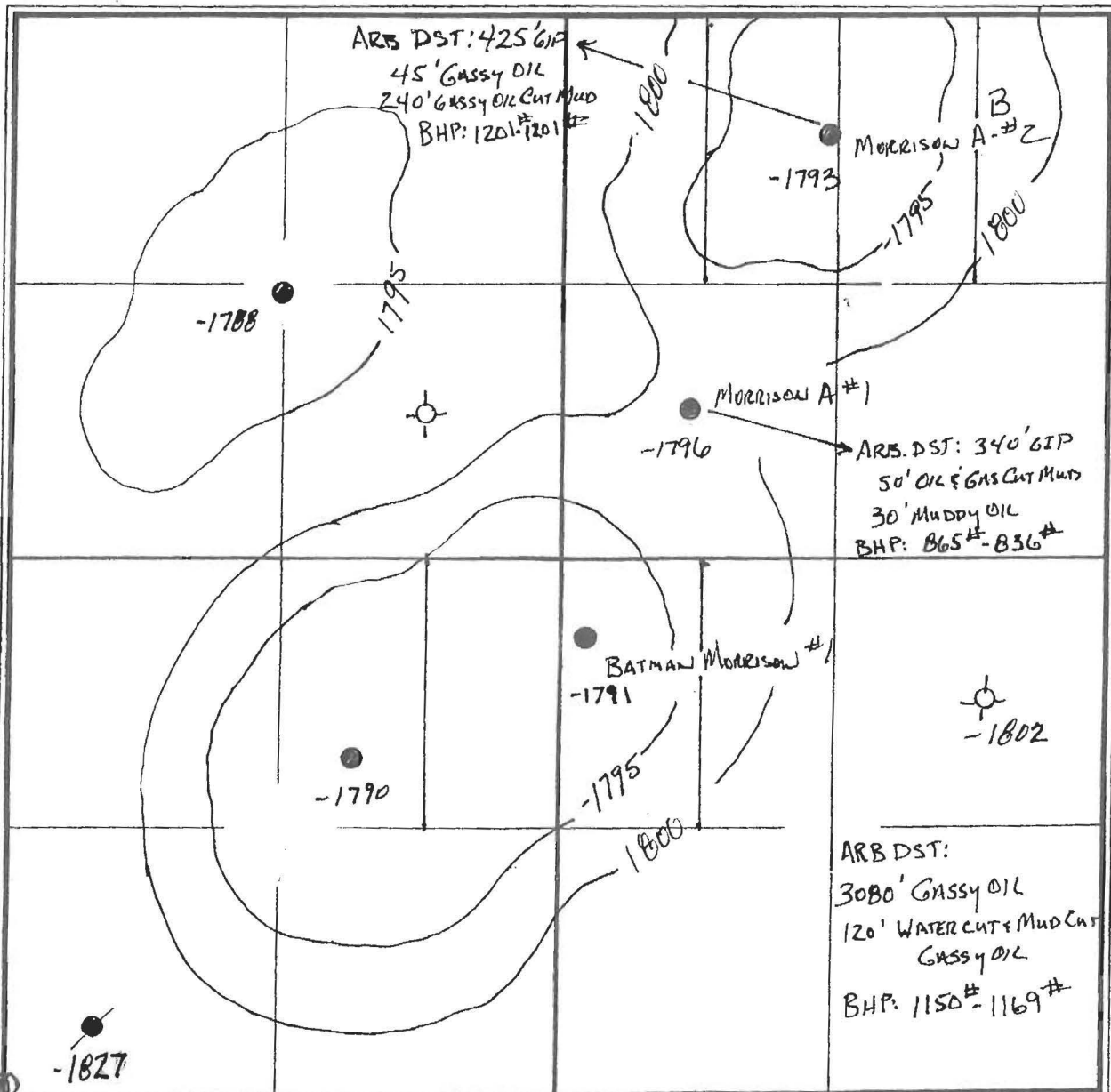
Matthew A. Tate

SUBSCRIBED AND SWORN to before me this 2nd day of August, 2016.



Rachel A. Hemken
Notary Public

Township: 21 South Range: 13 West State: STAFFORD County KS

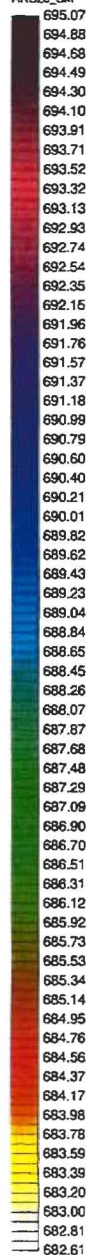


Formation: ARBuckle STRUCTURE & ARBUCKLE DST INFO
Contour Interval: 5 Ft.

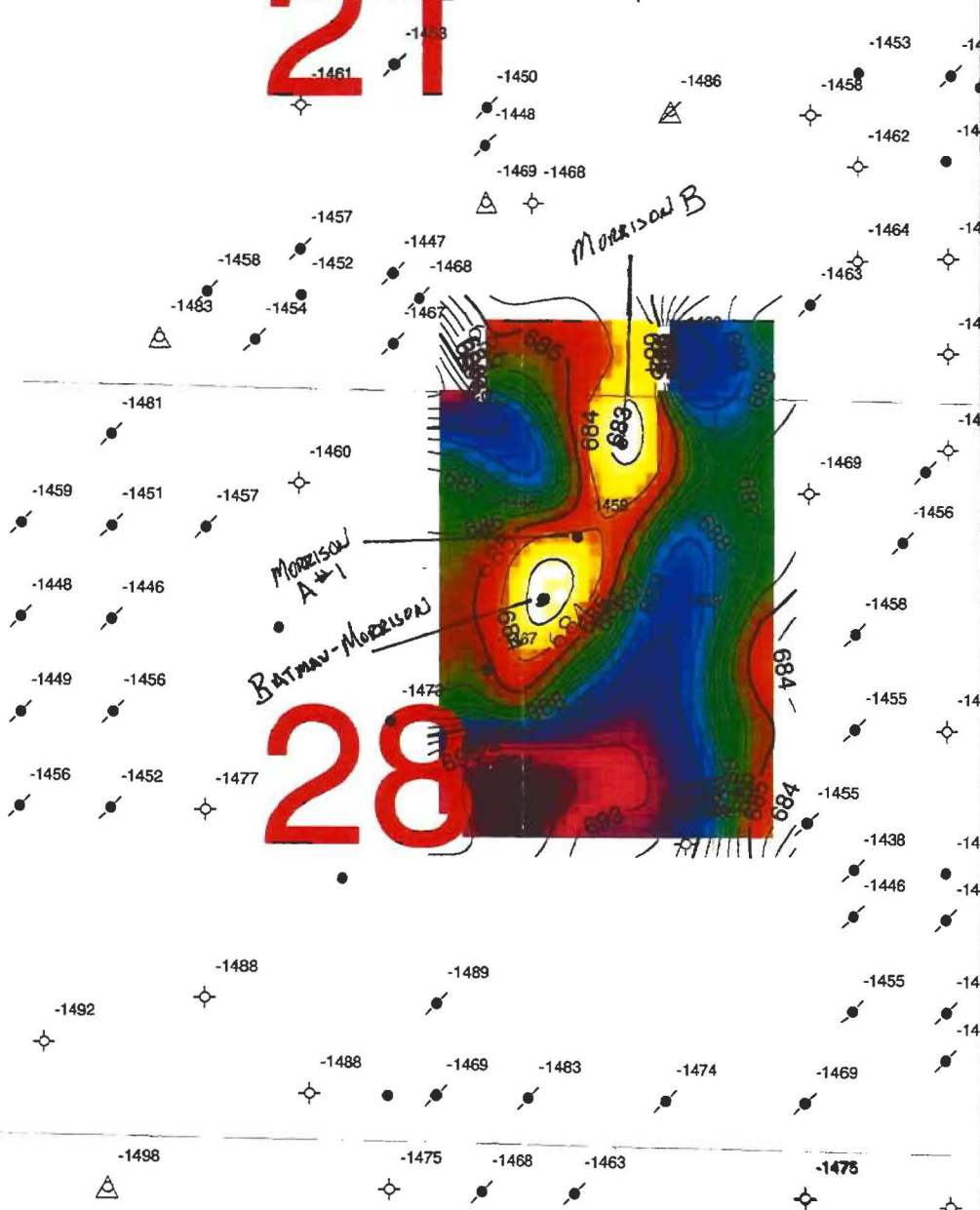
Geology by : K.A. Deutsch

HORIZON

ANSZC_SM



"STAFFORD_415 - Basemap"



Paradigm

THE GEOSCIENCE KNOWLEDGE COMPANY

STAFFORD_415

DATE: Thu Jun 16 2011
Acquisition: Lockhart Geophysical
Processing: Sterling Seismic
Interpretation & Analysis:
Kirk Rundle
Consulting Geophysicist
(316) 721-1421

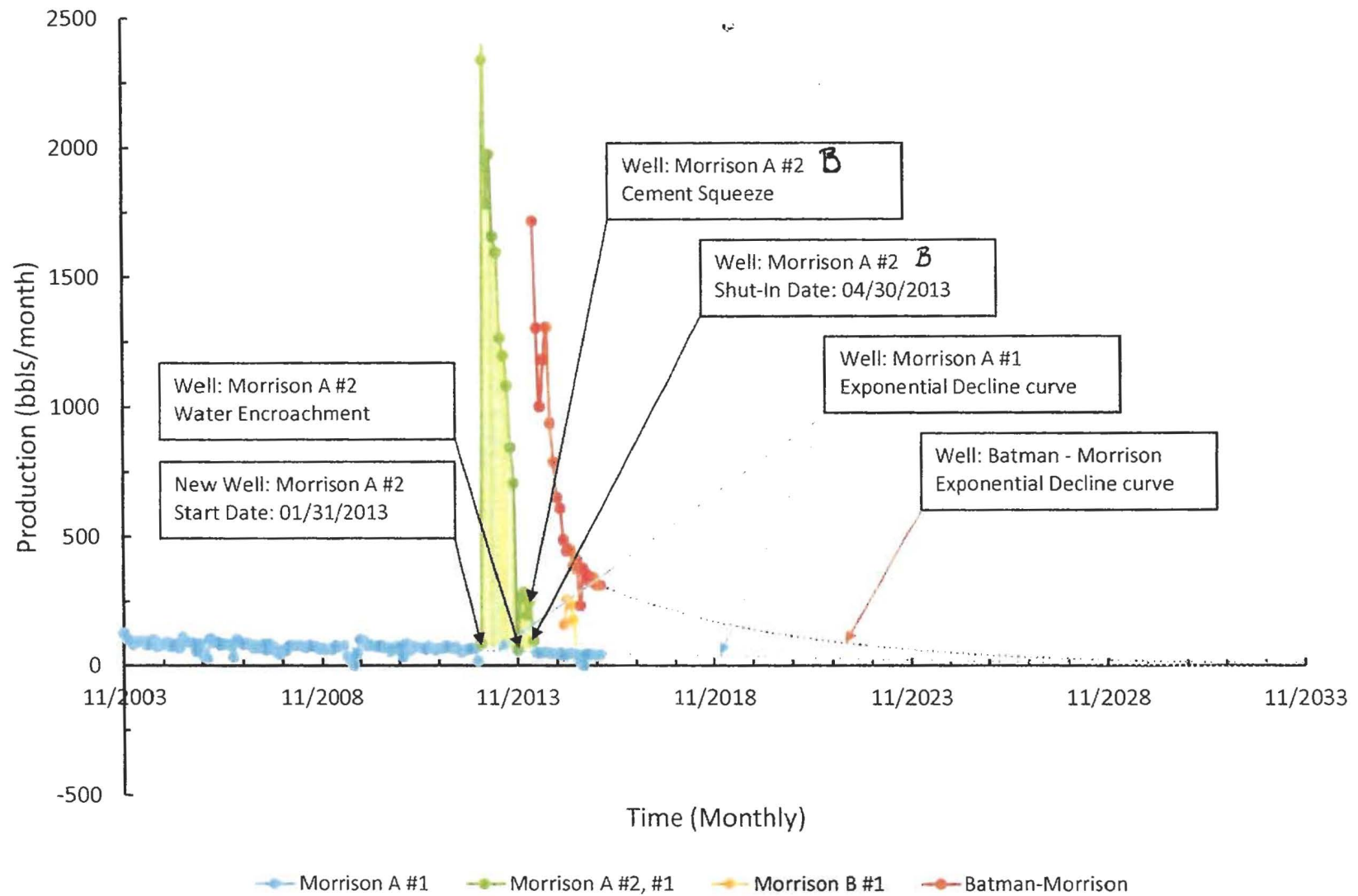
Deutsch Oil Company
Seward Project
T21S R13W
Stafford County, Kansas

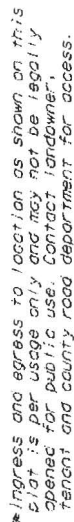
Lansing Time Structure
C.I.= 1 ms
Well Values= Lansing datums

EXHIBIT "B"

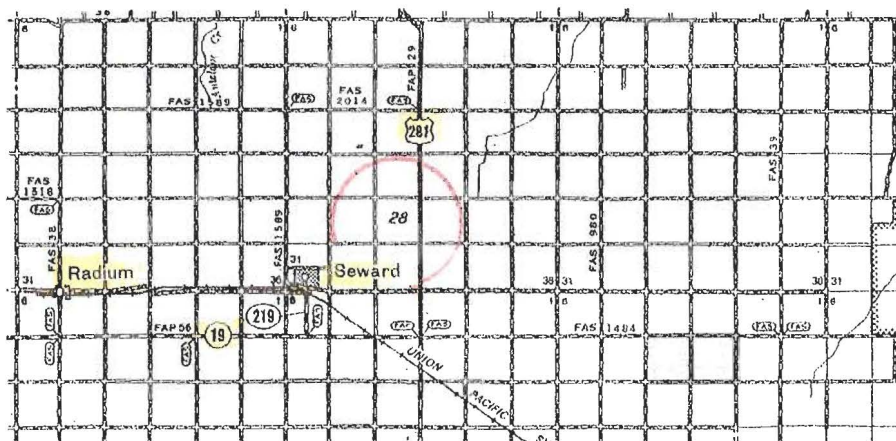
Deutsch Oil Company

Morrison - A, B, Batman Decline Curves





- Notes:
1. Set (2) wood stakes at location site.
 2. All flagging Red & Yellow.
 3. Overhead power available at S. & W. lines, S. 3/4 of E. line and W. line, SE. 1/4, Sec. 28.
 4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
 5. CAUTION: Various pipelines in Sec. 28.
 6. Contact landowner for best access.
 7. Location fell 18' ESE. of a pivot system wheel track.



* Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the section corners in this section is not guaranteed. Therefore, the operator securing this service and accepting this plat and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all lawsuits, costs and expenses and said entities released from any liability.

Deixar

January 14, 2014

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

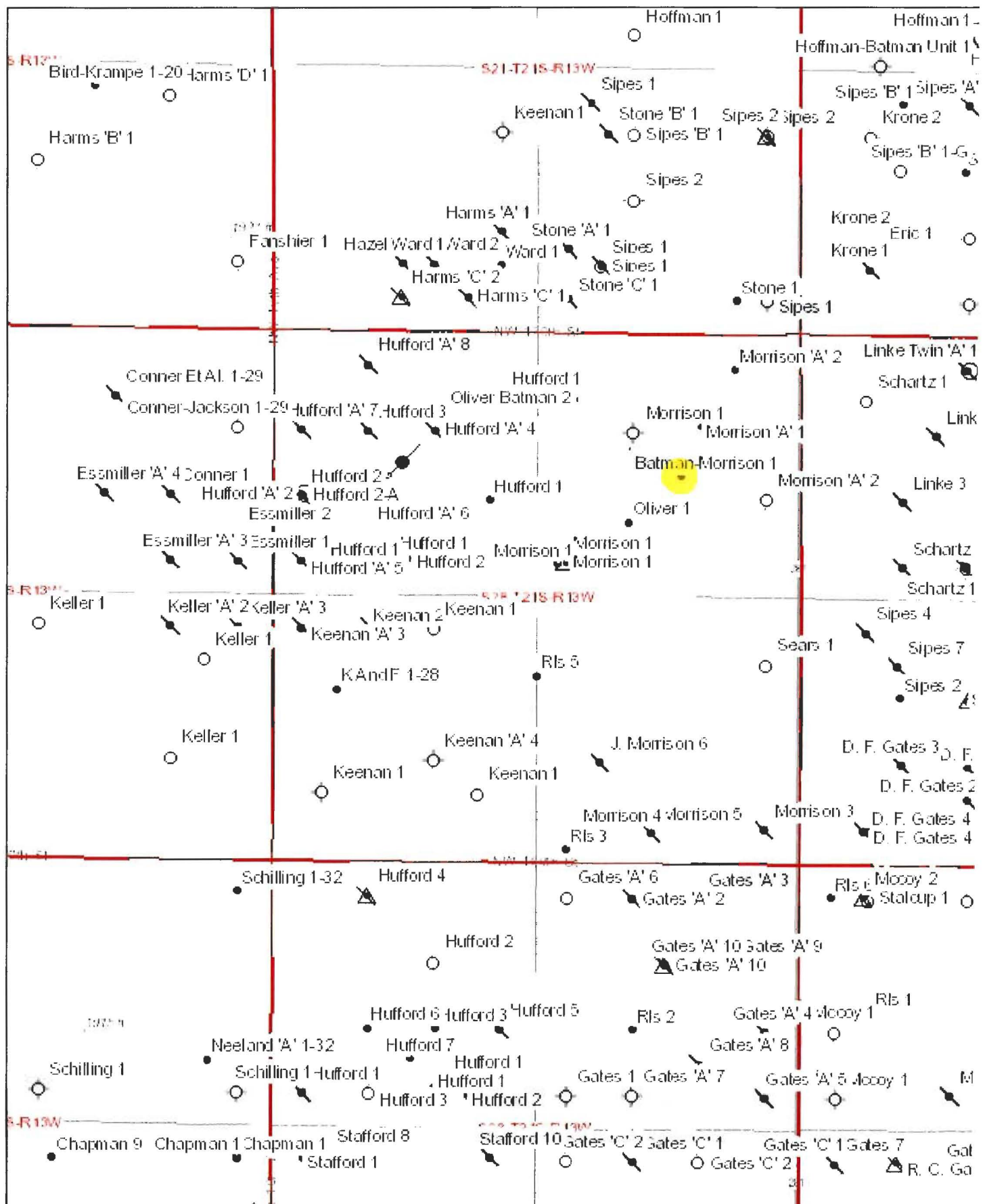


EXHIBIT F

NE/4 of Section 28-21S-13W, Stafford County, Kansas

Royalty Owners:

Robro Royalty Partners Ltd.
13155 Noel Rd., Ste. 100
Dallas, Texas 75240-5050

Bitter End Royalties
13155 Noel Rd., Ste. 100
Dallas, Texas 75240-5050

Rusk Capital Management LLC
7600 W. Tidwell Rd., Ste. 800
Houston, TX 78714

Batman Revocable Trust #1
Marilyn E. Batman Trustee
3224 26th St.
Great Bend, KS 67530

Eric A. Batman
1945 NE US HWY 281
Great Bend, KS 67530

Erin D. Batman
3224 26th St.
Great Bend, KS 67530

Offset Operators:

None

Unleased Mineral Owners:

None