RECEIVED KANSAS CORPORATION COMMISSION

JUL 1 1 2016

BIRK PETROLEUM

LEGAL SECTION

874 12[™] RD SW, BURLINGTON, KS 66839 620-364-1311

07/07/2016

RE: REQUEST FOR HEARING #16-CONS-4055-CPEN

This request for hearing is being made in regards to the Notice of Penalty Assessment #16-CONS-4055-CPEN. The Penalty Order covers the Annual Injection Report for the Watts #SWD; API #15207275160000, located in Sec. 26-235-14E, Woodson County, Ks. The maximum injection pressure was reported at 150 psi and maximum allowed is 100 psi. We have discovered a clerical error that occurred resulting in an incorrect report of the injection pressure. A correction to the report has been submitted and approved and a copy is enclosed for your review. We are requesting an abatement of the Penalty Assessment since the clerical error that occurred has been corrected and submitted. As this is the first year for the U3C to be required to be filed through the KOLAR system there have been some issues with the system in reporting the U3C's. We've worked with the KOLAR administrators on a couple of occasions to solve a couple of those issues. All efforts are made to submit accurate reports, however, mistakes can be and are made on occasion. As a producer in Eastern Kansas I have always strived to comply with Commission regulations. The opportunity to correct an inaccurate report due to a clerical error prior to Notice of Penalty would be greatly appreciated. Notice of an Unauthorized Injection was not provided prior to the Notice of Penalty Assessment. Such a notice would allow producers to correct clerical errors such as the one that occurred in this instance before incurring expenditures involving legal fees/proceedings that cost both the state and the producer. A penalty at this time would cause undue hardship in this time of low oil prices.

Sincerely,

Brian Birk Birk Petroleum

CORRECTION #2

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1311252

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

Form U3C June 2015 Form must be Typed Form must be completed on a per well basis

Complete all blanks - add pages if needed. Copy to be retained for five (5) years after filing date.

OPERATOR: License # 31280	API No.: 15-207-27516-00-00
Name: Birk, Brian L, dba Birk Petroleum	Permit No:
Address 1: _874 12TH RD SW	Reporting Year: 2015
Address 2:	(January 1 to December 31)
City: BURLINGTON State: KS Zip: 66839 + 9255 Contact Person: BRIAN BIRK Phone: (620) 364-1311 Lease Name: Watts Well Number: SWD	(avarara) <u>852</u> feet from N / V S Line of Section <u>63</u> feet from E / W Line of Section County: Woodson
I. Injection Fluid: Type (<i>Pick one</i>): ☐ Fresh Water ☐ Treated Source: ☑ Produced Water ☐ Other (A Quality: Total Dissolved Solids: mg/l Sp	
(Attach water analysis, if available)	
II. Well Data: Maximum Authorized Injection Pressure: <u>100</u> Maximum Authorized Injection Rate: <u>300</u> ba Total Number of Enhanced Recovery Injection Wells Covered by this	rrels per day
	······
III. Month: Total Fluid Injected Maximum	Fluid Total Gas Injected Maximum Gas # Days of

HI.	Month:	Total Fluid Injected BBL	Maximum Fluid Pressure	Total Gas Injected MCF	Maximum Gas Pressure	# Days of Injection
	January	15	75	0		31
	February	10	75	0		28
	March	15	75	0		31
	April	15	75	0		30
	Мау	20	75	0		31
	June	15	75	0		30
	July	15	75	0		31
	August	15	75	0		31
	September	20	75	0		30
	October	15	75	0		31
	November	15	75	0		30
	December	15	75	0		31
	TOTAL	185		0		