

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

In the Matter of the Application of Canaday)
Oil Corporation for an Order Authorizing)
the Unitization and Unit Operation of the)
Irons Morrow Sand Unit in Clark County,)
Kansas)
_____)

Docket No. 24-CONS-3103-CUNI

CONSERVATION DIVISION

License No. 5303

**RESPONSE OF CANADAY OIL CORPORATION TO MOTION
FOR RECONSIDERATION OF KAREN BYERLEY AND LOUISE WEST**

COMES NOW, Canaday Oil Corporation (“Canaday Oil”) by and through its attorney, Robert J. McFadden, Foulston Siefkin LLP, Wichita, Kansas, for its response to the Motion for Reconsideration filed by Karen Byerley and Louise West (collectively “Protestor”) on July 17, 2024, and states the following:

1. Protestor argues that the Kansas Corporation Commission (“Commission”) should reconsider its Final Order granting Canaday Oil’s Application for unitization of the Irons Morrow Sand Unit (“Unit”) but offers only hyperbole for support. Canaday Oil files this Response for the purpose of clarifying and correcting the Protestor’s misstatements.

2. Contrary to Protestor’s allegations in Paragraph 3, Canaday Oil did offer historical data, electronic logs, scout tickets, and other supporting information that, when analyzed using generally accepted petroleum engineering principles and practices, show a strong indication that the Unit is economically feasible. Protestor offered no contradictory evidence at the hearing or in its Motion for Reconsideration to refute that.

3. Regarding Protestor’s allegations in Paragraph 3, a failed unitization project six miles away has no bearing on the economic feasibility of the Unit.

4. The quoted testimony attributed to Mr. Canaday in Paragraph 3 is not testimony that was made by Mr. Canaday.

5. Contrary to Protestor's allegations in Paragraph 3 regarding Mr. Canaday's operational experience, while Mr. Canaday has operated 20 wells in the State of Kansas, he has operated hundreds of wells in Oklahoma, Texas, New Mexico, and Louisiana. Additionally, Canaday Oil's President, Pat Canaday, is also a petroleum engineer. Pat has operated over 1,000 wells in the State of Kansas while working for over 20 years with the same Mr. Murfin referenced in Protestor's Motion for Reconsideration and Vess Oil Corporation.

6. Protestor's allegations in Paragraphs 4 and 5 would lead to the faulty conclusion that, because geologists may disagree on the feasibility of a unit or well, no land should ever be unitized nor should any no oil or gas well ever be drilled in Kansas.

7. Contrary to Protestor's allegations in Paragraph 6, Canaday Oil did work continuously on the Unit including gathering reservoir data, developing waterflood and unitization studies, acquiring leases and wells, locating landowners and discussing project agreements and waterflood plans with them, maintaining wellbore integrities, and maintaining primary production where available.

8. Regarding Protestor's allegations in Paragraph 6, Canaday Oil removed its equipment and cleaned Protestor's property to Protestor's and Protestor's tenant's satisfaction upon Protestor's first request to do so.

9. The Unit is not a gas unit as Protestor states in Paragraph 6(a). It will be an oil waterflood project.

10. Regarding Protestor's allegations in Paragraph 6(b), production from wells wholly unrelated to the Unit have no bearing on the economic feasibility of the Unit.

11. Contrary to Protestor's allegations in Paragraph 8, testimony and facts were presented to meet the requirements of K.S.A. 55-1304 as stated in the Commission's Final Order.

12. The Commission's Final Order approving Canaday Oil's Application complies with K.S.A. 55-1301, *et. seq.* and is consistent with the Commission's duty to prevent waste and protect correlative rights.

THEREFORE, Canaday Oil hereby requests that Protestor's Motion for Reconsideration be denied.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Robert J. McFadden, hereby certify that on this 25th day of July, 2024, I caused true and correct copies of the foregoing Response of Canaday Oil Corporation to Motion for Reconsideration of Karen Byerley and Louise West to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and caused true and correct copies of the same to be served to the following parties by electronic service.

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