BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the matter of the application of Berexco LLC for an exception to the 10-year time limitation of K.A.R. 82-3-111 for its Kane Unit 3-19A well located in the N/2 N/2 NW of Sec 19, T30S, R18W, Kiowa County, Kansas Docket No. 25-CONS-3182-CEXC

CONSERVATION DIVISION

License No.: 34318

APPLICATION

COMES NOW Berexco LLC ("Operator") in support of its Application in the captioned matter states as follows:

1. Operator is a corporation authorized to do business in the State of Kansas. Operator's address is 2020 N Bramblewood St, Wichita, Kansas 67206.

2. Operator has been issued by the Kansas Corporation Commission Operator's License #34318, which expires October 30, 2025.

3. Operator is the owner and operator of the Kane Unit 3-19A well, API #15-097-21494

("the subject well"), which is located in the N/2 N/2 NW of Section 19, Township 30 South, Range

18 West, Kiowa County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands:

Kane Unit – All of Section 14 and Section 24, South half of Section 11, South half and NW/4 of Section 13, NE/4 of Section 23 and North half of Section 25, Township 30S, Range 19W along with the West half of Section 19 and NW/4 of Section 30, Township 30S, Range 18W, Kiowa County, Kansas, containing 3040 acres, more or less ("leased premises"). 4. Pursuant to K.A.R. 82-3-111, Operator obtained temporary abandonment status for the subject well in August, 2011. The subject well has maintained such status from that date to the present date.

5. On or about August 5th, 2021, the Kansas Corporation Commission notified the Operator that temporary abandonment status for the subject well would be denied because the subject well had been temporarily abandoned for more than ten (10) years. Operator filed for and received approval for an exception to K.A.R. 82-3-111 December 2nd, 2021.

6. On or about October 1st, 2024, The Kansas Corporation Commission notified the Operator that the 3 year exception to K.A.R. 82-3-111 was expiring November 23rd, 2024. K.A.R. 82-3-111 provides for an additional exception to be obtained through an application filed with the commission. Operator seeks such an exception.

7. The subject well has demonstrated mechanical integrity, as evidenced by passage of a mechanical integrity test done October 15th, 2024, which was witnessed by a member of the Kansas Corporation Commission staff.

8. Operator is holding the subject well to be put on production for waterflood response from the Kane Unit 1-19 injector. Estimated cost to return to production is \$100,000. Estimated cost to plug and abandon the subject well is \$30,000.

9. Operator submits the following information regarding the well in support of the Application. In 2016, a waterflood feasibility study was performed prior to the Kane Unit being formed. The study found that there is a potential 160,000 BO remaining to be recovered via waterflooding. That study utilizes the applicant well in its model, calculations, and forecasts. Furthermore, plugging the Applicant well would result in loss of reserves that can be produced from the Kane 1-19 injector. The Kane Unit consists of 16 wells: 6 producing oil wells, 5 injection

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wells, 1 WSW, 3 TA wells, and 1 P&A well. An estimated cost to plug the Applicant well is \$30,000, and the estimated cost to plug out the rest of the lease is \$450,000. The Kane Unit currently produces 35 BOPD.

10. The subject well currently has a CIBP set above the perforations to pass MIT. If a waterflood response is seen, the well will be converted to production by knocking out the CIBP and running in tubing and a pump. The total cost for this is estimated at \$100,000.

11. Operator has included a plat map showing the locations of all producing, injection, temporarily abandoned, abandoned, and plugged wells located within ¹/₂ mile radius of the subject well.

12. Based on the foregoing, Applicant requests the Commission grant an additional exception to the 10-year limitation, specifically to allow the subject well to remain eligible for temporary abandonment status for the three (3) years following the expiration of the 10-year limitation, subject to yearly renewal with the appropriate Conservation Division District, but without further need to re-apply for a new exception each of the three (3) years prayed for in this application to the Commission.

13. 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 one-half (1/2) mile radius of the subject well; and
- B. Each person who owns any mineral interest of record in and under any lands
 located within one-half (1/2) mile radius of the subject well (provided that such mineral interest is not covered by any oil and gas lease).

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14. 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 matter 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,

Teren DeBok 2020 N. Bramblewood Wichita, KS 67206 316-265-3311 Fax #316-681-4770

By: Signature of Submitter

VERIFICATION

STATE OF KANSAS)) ss: COUNTY OF SEDGWICK)

Teren DeBok, of lawful age, being first duly sworn, upon oath states: That he has the authority on behalf of Operator to file this application, has read the application, knows the contents, and knows all of the statements in the application are true and correct.

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Signature of Submitter

Subscribed and sworn to before me this 13th day of March, 2025.

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Notary Public

My appointment expires:

MEGAN KASTRUP Notary Public - State of Kansas My Appt. Expires 3

EXHIBIT A

Kane Unit #3-19 notice area

<u>Surface – NW/4 Sec. 19-30S-18W</u>

Redbird Ranches LLC P. O. Box 2566 Bartlesville, OK 74006

<u>Operator - W/2 Sec. 19-30S-18W; SE/4 Sec. 13, E/2 Sec. 24-30S-19W</u>

Berexco LLC 2020 N. Bramblewood Wichita, KS 67206

<u>Operator - S/2 Sec. 18-30S-18W</u>

Oil Producers of Kansas, Inc. 1710 Waterfront Parkway Wichita, KS 67206

Unleased mineral owner – E/2 Sec. 19-30S-18W

Richard Kane Trust P. O. Box 2566 Bartlesville, OK 74006