

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

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Dwight D. Keen

In the matter of the application of Wynn-)	Docket No. 18-CONS-3341-CEXC
Crosby Operating, Ltd. for the assignment of a)	
special allowable to the Mayberry B-1 well in)	CONSERVATION DIVISION
Section 12, Township 33 South, Range 38)	
West, Stevens County, Kansas.)	License No. 34929

ORDER GRANTING 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.A.R. 82-3-100 provides that the Commission may grant an exception to any regulation after application and notice.
3. K.A.R. 82-3-133a(c) provides that production volumes for gas wells shall be balanced on the semiannual basis of April through September and October through March. Any overage shall be made up in the six-month period following the six-month period in which it was accrued.
4. K.A.R. 82-3-133a(f) provides that any overage may be eliminated or reduced, at the discretion of the Commission, through application to the Commission for retroactive assignment of allowable and for good cause shown.

5. K.A.R. 82-3-312(a) provides that for gas wells not covered by a special commission order, the daily allowable for each well shall be 50 percent of the well's actual open flow potential, as measured by the testing procedures specified in K.A.R. 82-3-303, except that each well in compliance with K.A.R. 82-3-304 shall be entitled to a minimum allowable of 250 MCF per day.

II. FINDINGS OF FACT

6. On March 6, 2018, Operator filed an application requesting a special allowable for its Mayberry B #1 ("the subject well"), API #15-189-21622, located in Section 12, Township 33 South, Range 38 West, Stevens County, Kansas.¹ The subject well is a gas well not covered by a special Commission order. Therefore, the well's daily allowable is governed by K.A.R. 82-3-312(a), and the overage rules of K.A.R. 82-3-133a(c) and K.A.R. 82-3-133a(f) also apply.

7. In its application, Operator notes the subject well has produced in excess of its daily allowable under K.A.R. 82-3-312(a) since its completion in November 2016.²

8. On March 9, 2018, Operator filed a motion for interim relief, to allow Operator to continue producing the subject well in excess of its daily allowable under K.A.R. 82-3-312(a) during the pendency of its application. Specifically, Operator requested to be allowed to produce the subject well at a rate of up to 1,300 MCF per day.

9. On March 20, 2018, the Commission granted Operator's motion for interim relief.

10. Operator has verified that notice of its 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, and no protest was filed under K.A.R. 82-3-135b.

¹ While Operator calls the well the Mayberry B-1 in its filing, Commission records call the well as the Mayberry B #1. There is no question, however, as to the identity of the well at issue in this proceeding.

² See Application ¶10 and Application Exhibit A.

11. The only matter pending in this docket is whether to approve Operator's unprotested March 6, 2018, application. Operator seeks two things. First, Operator seeks a permanent exception to K.A.R. 82-3-312(a), *i.e.* that it be given a "special allowable," so that the subject well may produce at a rate equal to the well's productivity.³ Second, Operator requests that any production overage accrued under K.A.R. 82-3-133a(c) be eliminated for good cause shown pursuant to K.A.R. 82-3-133a(f)⁴

12. Operator states that the well is producing from a single-well reservoir, and that producing the well at a rate less than its maximum efficient rate of flow, or shutting the well in to make up any accrued overage, will result in damage to the formation, decreasing the ultimate recovery of gas and oil, which will result in waste.⁵

13. The Commission finds the assertions within the application, upon consideration and absent any protests, support the administrative grant of the application.

III. CONCLUSIONS OF LAW

14. The Commission has jurisdiction over Operator and this matter.

15. Operator's application was filed in accordance with the rules and regulations of the Commission and Kansas statutes.

16. Notice was properly serviced and published.

17. Based on the available facts, the Commission finds Operator's application should be granted to prevent waste.

³ *Id.*, ¶14.

⁴ *Id.*

⁵ *Id.*, ¶11, 12.

THEREFORE, THE COMMISSION ORDERS:

A. Operator's application is granted. The subject well may produce at a rate equal to the well's productivity. Any accrued production overage is hereby eliminated.

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.

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 266 N. Main, Ste. 220, Wichita, Kansas 67202. Pursuant to K.S.A. 55-606 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.


BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Date: 05/01/2018

Date Mailed: 05/02/2018

JRM



Lynn M. Retz
Secretary to the Commission

CERTIFICATE OF SERVICE

18-CONS-3341-CEXC

the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of
first class mail and electronic service on 05/01/2018.

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/S/ DeeAnn Shupe

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