

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

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

In the Matter of the Application of Orca) Docket No. 19-CONS-3262-CWLE
Operating Company, LLC for a Well Location)
Exception for the Kelly #12-1-1H Well in) CONSERVATION DIVISION
Sections 1 and 12, Township 25 South, Range)
9 West, Reno County, Kansas) License No. 34358

ORDER GRANTING APPLICATION

The above captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, and being duly advised in the premises, the Commission makes the following findings and conclusions:

I. JURISDICTION

- 1. The Commission has the exclusive jurisdiction and authority to regulate oil and gas activities in Kansas.¹
- 2. K.A.R. 82-3-108(a) provides that the setback requirement for oil and gas wells shall be 330 feet from any lease or unit boundary line, except as provided in subsection (b) or (c).
- 3. K.A.R. 82-3-108(c) provides that the Commission may grant an exception to the well setback requirements if necessary either to prevent waste or protect correlative rights.

II. FINDINGS OF FACT

- 4. Orca Operating Company, LLC (Operator) conducts oil and gas activities in Kansas under active license number 34358.

¹ K.S.A. 74-623.

5. On February 1, 2019, the Operator filed an Application requesting a well location exception and full allowable for the proposed Kelly #12-1-1H horizontal Mississippian well (the subject well). The Operator intends to drill a horizontal Mississippian well, the Kelly #12-1-1H from a surface location 800' FSL & 380' FEL of Section 12-25S-9W to a bottom hole location 3,728' FSL & 380' FEL of Section 1-25S-9W, Reno County.²

6. The Operator seeks a well location exception for the subject well because the intended path for the wellbore will be located less than 330 feet from the west boundary of an adjacent property over the course of a 330-foot span of the wells total 6,850 feet lateral length.³ At all other points, the horizontal wellbore for the Kelly 12-1-1H well will be at a legal location.

7. The Operator has been unable to locate the persons, trustees, or any recognized entity as the owner of the mineral rights of the two-acre cemetery tract of land found in the SE/4 of the NE/4 of Section 12-25S-9W, Reno County. Therefore, the Operator has not been able to secure an oil and gas lease covering this 2-acre cemetery tract of land.⁴

8. The Operator has verified that notice was properly served and published as required under K.A.R. 82-3-135a. No protest was filed under K.A.R. 82-3-135b.

9. Commission Staff recommends that the Operator's Application should be granted and recommends the subject well be granted its full allowable pursuant to K.A.R. 82-3-203 in order to prevent economic and physical waste. The granting of this Application will not violate correlative rights.

² See Application, ¶2 (Feb. 1, 2019).

³ *Id.* at ¶4.

⁴ *Id.* at ¶3.

III. CONCLUSIONS OF LAW

10. The Commission finds and concludes that it has jurisdiction over the Operator in this matter.

11. The Commission finds and concludes the Application was filed in accordance with the rules and regulations of the Commission and in accordance with Kansas statutes.

12. The Commission finds and concludes that notice was properly served and published.

13. Based on the above facts, the Commission finds and concludes that the Application should be granted to prevent waste and protect correlative rights.

THEREFORE, THE COMMISSION ORDERS:

A. The Operator’s Application for a well location exception for the subject well under K.A.R. 82-3-108 is granted. A full allowable pursuant to K.A.R. 82-3-203 is also granted.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁵

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Albrecht, Commissioner; Emler, Commissioner.

Dated: 04/04/2019



Lynn M. Retz
Secretary to the Commission

Mailed Date: 04/04/2019

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⁵ K.S.A. 55-162; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

19-CONS-3262-CWLE

I, 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 04/04/2019.

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