

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

Before Commissioners: Shari Feist Albrecht, Chairman  
Jay Scott Emler  
Pat Apple

In the matter of the Application of Dixon )  
Operating Company, LLC. for an exception )  
to the 10-year limitation of K.A.R. 82-3-111 )  
for its Forsyth Unit #2-3 well located in )  
the Northwest Quarter of Section 19, )  
Township 32 South, Range 12 West, )  
Barber County, Kansas. )

15-CONS-636-CEXC  
Docket no. ~~11-CONS-~~CEXC

CONSERVATION DIVISION

License No: 35162

**APPLICATION**

COMES NOW Dixon Operating Company, LLC., (Formerly Dixon Energy, Inc.), ("Applicant") in support of its Application in the captioned matter and states as follows:

1. Applicant is a Corporation authorized to do business in the State of Kansas.

Applicant's address is 8100 E. 22<sup>nd</sup> ST N, Building 300, Suite 200, Wichita, Kansas 67226.

2. Applicant has been issued by the Kansas Corporation Commission Operator's License number 35162, which expires on December 30, 2015.

3. Applicant is the owner and operator of the Forsyth Unit #2-3 well, API #15-007-10089-0002 ("the subject well"), which is located in the Northwest Quarter of Section 19, Township 32 South, Range 12 West, Barber County, Kansas. The subject well is located on an active oil and gas unit comprising the following lands:

TOWNSHIP 32 SOUTH, RANGE 12 WEST

Sec. 17: Southwest Quarter of the Southeast Quarter (SW/4SE/4)

South Half of the Southwest Quarter (S/2SW/4)

Sec. 18: Southeast Quarter (SE/4)

Sec. 19: North Half of the Northeast Quarter (N/2NE/4)

Sec. 20: Northwest Quarter (NW/4)

West Half of the Northeast Quarter (W/2 NE/4)

All in Barber County, Kansas, containing 600 acres, more or less ("leased premises").

4. Pursuant to K.A.R. 82-3-111, the well was shut in, or Applicant obtained temporary abandonment status, for the subject well on April 4<sup>th</sup>, 1995. The subject well has maintained such status from April 4<sup>th</sup>, 1995, to present date.

5. K.A.R. 82-3-111 imposes a 10-year limitation on the amount of time during which wells may be temporarily abandoned, but an exception to the 10-year limitation may be obtained pursuant to said regulation through an Application filed with the Commission pursuant to K.A.R. 82-3-100. Applicant seeks such an exception.

6. The Applicant previously filed for Application for the 10-year limitation of K.A.R. 82-3-111 for its Forsyth Unit #2-3 with the Kansas Corporation Commission, **Docket No. 11-CONS-164-CEX**, which was Granted the Applicant (Formerly Dixon Energy, Inc.).

7. On November 18, 2014 the subject well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within twenty-six (26) feet above the uppermost perforation or open hole in the well.

8. Applicant moved a completion work over rig (Clarke Corporation) on November 24, 2014 to prepare the hole to put back into production (Re-Completion report attached as Exhibit "B").

9. Applicant wishes to continue TA status for the subject well, because Applicant intends to use the well for the following purpose:

1) Put back into Production.

10. Applicant submits the following information regarding the well in support of the Application.

a) Applicant ran a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within twenty-six (26) feet above the uppermost perforation and pressure tested casing to **2950#**.

b) The subject well was an injection well and will take an extended period of time to pump the water injected, back prior to seeing any oil percentages.

c) Applicant proceeded to put the well back into production (see Completion Report Exhibit "B"). Applicant had numerous packers and plugs in the hole

(known and unknown) which needed to be removed prior to running production tubing, rods and put back on pump. Applicant had major cost overages in removing these plugs and has spent approximately \$70,000.00 to date.

d) Applicant estimates that an additional \$100,000.00 will be needed put back into production.

e) Due to current oil prices, applicant needs to recoup from this lease, some of the investment made to date prior to proceeding with putting subject well back into production.

10. Applicant submits that, to date it has preformed the following actions in furtherance of the above-described intend use for the well:

a) Complied and maintained integrity of the well bore per KCC rules.

11. Applicant has included a plat map showing the locations of all producing, injection, temporarily abandoned, abandoned, and plugged wells located on the same leased premises as the subject well (Exhibit "C").

12. Based on the foregoing, Applicant requests the Commission grant an exception to the 10-year limitation, specifically to allow the subject well to remain eligible for temporary abandonment status for three (3) years, but Applicant would still need to apply annually to the Conservation Division District Office for approval of an application for temporary abandonment status.

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).

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,

Dixon Operating Company, LLC

8100 E. 22<sup>nd</sup> ST N

Building 300, Suite 200

Wichita, Kansas 67226

By



Micheal W. Dixon-President



### **CERTIFICATE OF SERVICE**

I hereby certify on this 6<sup>th</sup> day of February, 2015, true and correct copies of the above and foregoing Application and the Notice of Application were served by depositing copies of the same in the United States Mail, postage prepaid, and properly addressed to the landowners/s set forth in paragraph 14 of said Application and each party set forth in Exhibit "A" attached to said Application filed by Applicant, and a copy was delivered to the Kansas Corporation Commission via e-filing Express.



## **EXHIBIT "A"**

A. Each operator of each oil and gas lease covering lands within one-half (1/2) mile radius of the subject well:

- 1) Mid-Continent Energy Operating Company  
100 W. 5<sup>th</sup> ST, Suite 450  
Tulsa, OK 74103-4254
- 2) Pickrell Drilling Co., Inc.  
100 S. Main, Suite 505  
Wichita, Kansas 67202
- 3) Red Cedar Oil  
P.O. Box 221  
Medicine Lodge, Kansas 67104.
- 4) Woolsey Operating Company, LLC  
125 N. Market, Suite 1000  
Wichita, Kansas 67202

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:

- 1) NONE

## EXHIBIT "B"

**DIXON ENERGY, INC.**  
**8100 E. 22<sup>nd</sup> STREET NORTH**  
**BUILDING 300, SUITE 200**  
**WICHITA, KANSAS 67226**  
**(316)264-9632**

### **WELL HISTORY REPORT** **COMPLETION/WORK-OVERS/PMP.CHGS**

WELL NAME: FORSYTH UNIT 2-3	CASING: 51/2" @ 4550' w/90sx
LOCATION: NE-NW-NE Sec.19-32S-12W Barber County, Kansas	TUBING:
OPERATOR: Dixon Energy, Inc.	PERFORATIONS: 4490-4500 w/4spf, 4486-90 w/4spf, 4466-70 w/4spf
TOTAL DEPTH: RTD: 4550' LTD: 4547' PBSD: 4520'	OTHER:
ELVATION: GL: 1685' KB: 1689'	

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02-03-11	Set CIBP @ 4440'. Press w/high press truck to 300# per KCC
11-18-14	MIRU Basic Energy Services. Loaded hole. Took 1/2 BBL KCL wtr to load. Press to 2950# and held.
11-24-14	Unload tubing. RU Clarke's DDU. RIH w/Mid-Con. sand line drill found CIBP @ 4440'. Start drilling on plug. Pushed plug 15' to 4455 bring up metal and iron sulfide each run. SION
11-25-14	CP Sli. Vac. Continue to drill on plug. Made 5'. Rec. very little metal. Making no new hole. Last run lost sand line drill in hole. Called out KS Fish. Rig up to run tbg. and fishing tool. RIH overshot tool and 90jts=2850.37' 2-7/8" tubing. SION
11-26-14	CP 0#. RIH w/50jts.2'7/8"=1560.89'. Total of 140 jts=4411.46 and 14.54' tool. Sat down fish @ 4426'. POOH w/tbg, tool and fish. RBIH w/136 jts of 2-7/8" tbg=4285.70', bull dog bailer & bit. Total of 4305'. SION
12.01-14	CP Sli. Vac. RIH w/3 more jts tbg and tagged plug @ 4464'. Rig up KS Fish & Tool pwr. swivel. Start drilling on plug. Made 9' to 4475'. Bit spinning not getting bite or making new hole. POOH w/tbg and bull dog bailer. Had 12' of iron sulfide and rubber in bull dog bailer cavity. SION
12-02-14	CP Sli Vac. RIH w/bit & bailer. Start drilling @ 4475'. Drilled for 2 hrs making no new hole. Apper to just be spinning on top of Model D pkr. beow CIBP. POOH w/tbg & bailer. Rig up and RBIH w/tbg, mill and scraper. SION
12-03-14	CP Sli Vac. RIH w/3more jts of tbg. Start milling @ 4475'. In 4 hrs made 8". Approx 10" more to mill. Continued to mill for 3hrs making no hole. POOH w/100 jts tbg. SION
12-04-14	CP Sli. Vac. POOH w/remaining tbg., mill tool and bailer. Found parts of model 81 pkr. in mill (This is not the pkr reported to be in hole. We think that this is why it took so long to drill and could be drilling on model D pkr. now). Rig up and RIH w/tbg and new mill. Start milling again. At 2:30PM made 9" of new hole. At 3:00PM milled through Model D pkr. Drilled and pushed down to 4495'. Try to wedge pkr. in mill. Could not get. POOH w/3jts. of tbg.. SION
12-05-14	CP=0. POOH tbg and Bailer. Had 2 jts full of Iron Sulfide and Parts of a Packer element and ring. RIH w/ 4' Mill tool, 12' Wash pipe and Bailer. Continued Drilling on Model D PKR. At 2:45 We broke through plug and pushed down to TD@ 4515'. RU to pull tbg. Did not come out of the hole w/ any pieces of the Model D pkr. SION
12-08-14	CP=Sli Vac. RU Sand pmp. FL@1400'. Found Btm @ 4515' and came out w/ nothing. RU to RIH w/ tbg. RIH w/ Midcon Pkr and 140 jts tbg. PKR set @ 4422'. RU swab. First run FL@ 1500' No show 1st hour 27.84 bbls FL@ 2800' Sli show of gas ahead of fluid, no oil 2nd hour 21.46 bbls FL@ 2800' Sli show of gas ahead of fluid, no oil

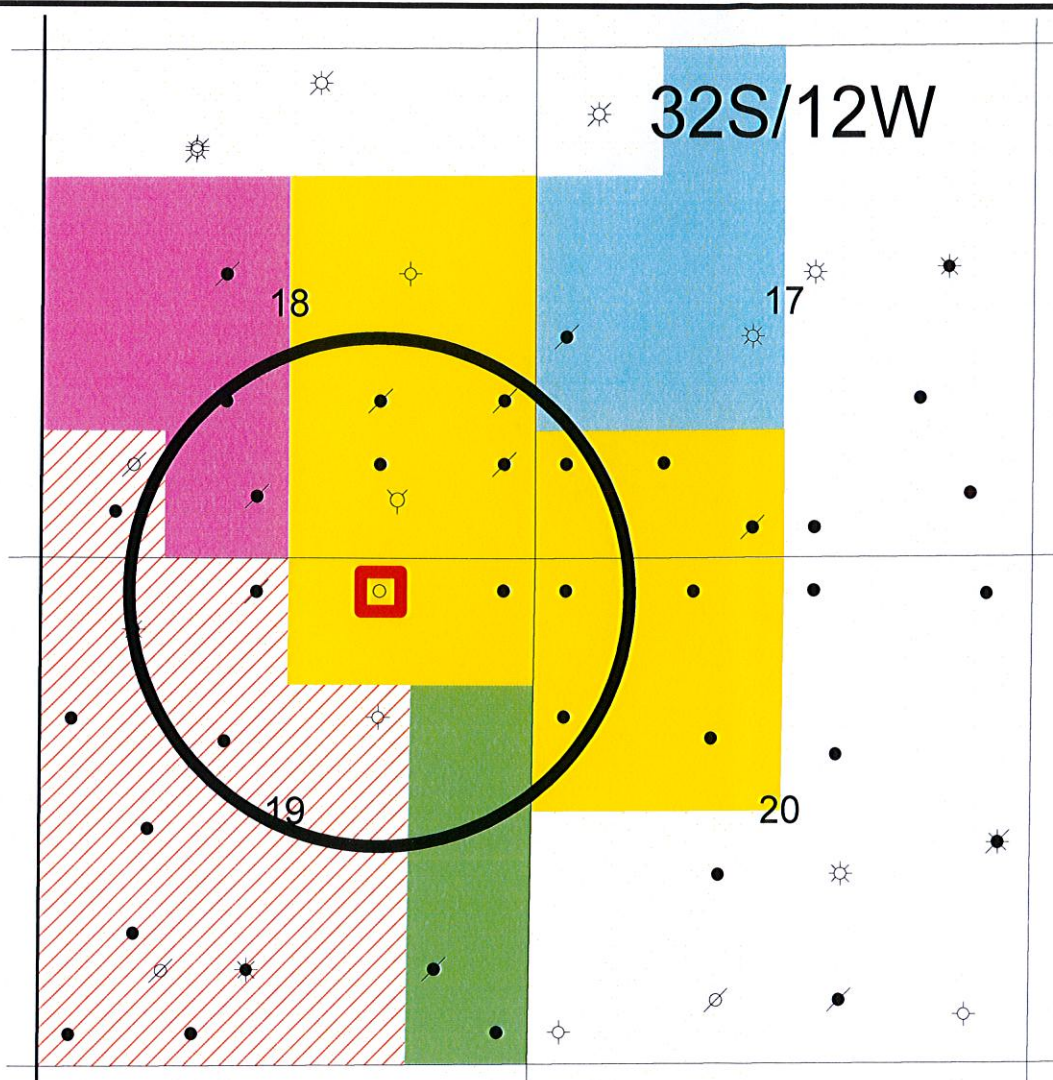
3rd hour 16.82 bbls FL@ 2800' Sli show of gas ahead of fluid, no oil  
4th hour 25.52 bbls FL@ 2800' Sli show of gas ahead of fluid, no oil  
30 min pull 11.60 bbls FL@ 2800' Sli show of gas ahead of fluid, no oil.  
SION

12-09-14 TP=vac. First run w/ swab FL@ 2400' No show.  
Swab line came out of hole w/ Bad crimp and cannot run back in hole.  
Rig will get a new line put on this evening.  
SION.

12-10-14 TP=vac. First run w/ swab Fl@ 2500' No show.  
1st hour 27.84 bbls Fl@2900' sli show of gas ahead of fluid, no oil  
30 min 16.24 bbls Fl@2900' sli show of gas ahead of fluid, no oil  
2nd hour 27.84 bbls Fl@2900' sli show of gas ahead of fluid, no oil  
3rd hour 33.64 bbls Fl@2900' sli show of gas ahead of fluid, no oil  
4th hour 23.20 bbls Fl@2900' sli show of gas ahead of fluid, no oil  
RU to pull tbg and pkr out of the hole. Rig down clarkes.



# EXHIBIT "C"



- Dixon Operating Company, LLC
- Mid-Centinet Energy Operation Co.
- Pickrell Drilling Co., Inc.
- Red Cedar Oil, LLC
- Woolsey Operating Company, LLC

- ABND
- DRY
- GAS
- GAS-P&A
- SUBJECT WELL
- O&G
- O&G-P&A
- OIL
- OIL-P&A
- SWDW