

FEB 20 2018

CONSERVATION DIVISION
WICHITA, KS

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

IN THE MATTER OF THE APPLICATION)	18-CONS-3331-CEXC
OF NORSTAR PETROLEUM INC.,)	DOCKET NO. 14-CONS-___-CEXC
FOR AN EXCEPTION TO THE 10-YEAR)	LICENSE NO. 31652
TIME LIMITATION OF K.A.R. 82-3-111 FOR)	CONSERVATION DIVISION
ITS STECKEL FARMS #4-4 WELL LOCATED)	
IN THE SE/4 NE/4 OF SECTION 4-T31S-R41W,)	
<u>MORTON COUNTY, KANSAS</u>)	

APPLICATION

COMES NOW Norstar Petroleum Inc., (“Operator”), in support of its application in the captioned matter states as follows:

1. Operator is a foreign corporation licensed to do business in the State of Kansas. Operator’s address is 88 Inverness Cir E, Unit F104, Englewood, CO 80112.
2. Operator has been issued license no. 31652 by the Commission, which license expires on March 30, 2018.
3. Operator is the owner and operator of the Steckel Farms #4-4 (“the Well”), API #15-129-21058-00-01, which is located in the SE/4 NE/4 of Section 4-T31S-R41W, Morton County, Kansas. The Well is located on an active oil and gas unit the “Beauchamp SW Unit” comprised of numerous leases (See attached Exhibit B).
4. Pursuant to K.A.R. 82-3-111, previous operators obtained temporary abandonment status for the Well on or about August 15, 1992. The Well has maintained such status from August 15, 1992, to the present date.
5. On or about January 23, 2018, the Commission notified Operator that temporary abandonment status for the Well would be denied because the Well had been temporarily abandoned for more than ten (10) years and the Well’s 3-year exception to K.A.R. 82-3-111 was

expiring.

6. 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 through an application filed with the Commission pursuant to K.A.R. 82-3-100. Operator hereby seeks such an exception.

7. On February 12, 2018, the Well passed a Commission Staff-witnessed mechanical integrity test of the casing.

8. Operator wishes to continue TA status for the Well, because Operator intends to implement the Well into the future water flood of the Beauchamp SW Unit.

9. Operator submits the following information regarding the Well in support of the Application. In 1999 a waterflood feasibility study was performed prior to the Beauchamp SW Unit being formed. That study found that there is a potential 700,000 BO remaining to be recovered via waterflooding. That study utilizes the Well in its model, calculations and forecasts. Currently, the Beauchamp SW Unit is producing through gravity drainage, which is the reservoir drive mechanism with the highest recovery factors (50-70% typically). Implementing the waterflood now would shut off that gravity drainage and result in a loss of otherwise recoverable reserves. Furthermore, plugging the Well would result in loss of reserves too, as the Well will be used in the eventual waterflood as soon as the gravity drainage has reached its economic limit. The Beauchamp SW Unit consists of 12 wells: 3 gas wells, 8 oil wells, and 1 water source well. The Well is the water source well. Additionally, there are 5 gas wells and 1 oil well that lie within the unitized acreage, but produce from non-unit formations. An estimated cost to plug the Well is \$20,000. The Beauchamp SW Unit currently produces 15 BOPD.

10. Exhibit A hereto is a plat showing the location of all producing, injection,

temporarily abandoned, abandoned and plugged wells located on the same lease premises as the Well.

11. Based on the foregoing, Operator requests that the Commission grant an exception to the 10-year limitation of K.A.R. 82-3-111, to allow the Well to remain eligible for temporary abandonment status for the three (3) years following expiration of the 10-year limitation, subject to yearly renewal with the appropriate district of the Commission's Conservation Division, but without further need to re-apply for a new exception in each of the three (3) years requested in this application.

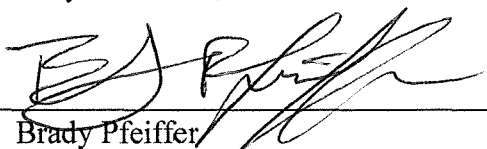
12. There are no unleased mineral owners of record within a one-half mile radius of the Well. The only outside operator of any oil and gas leases covering lands within a one-half mile radius of the Well is:

Stelbar Oil Corp Inc.
1625 N Waterfront Parkway, Suite 200
Wichita, KS 67202

12. Notice of this application and any required hearing will be published pursuant to K.A.R. 82-3-135a and K.A.R. 82-3-135.

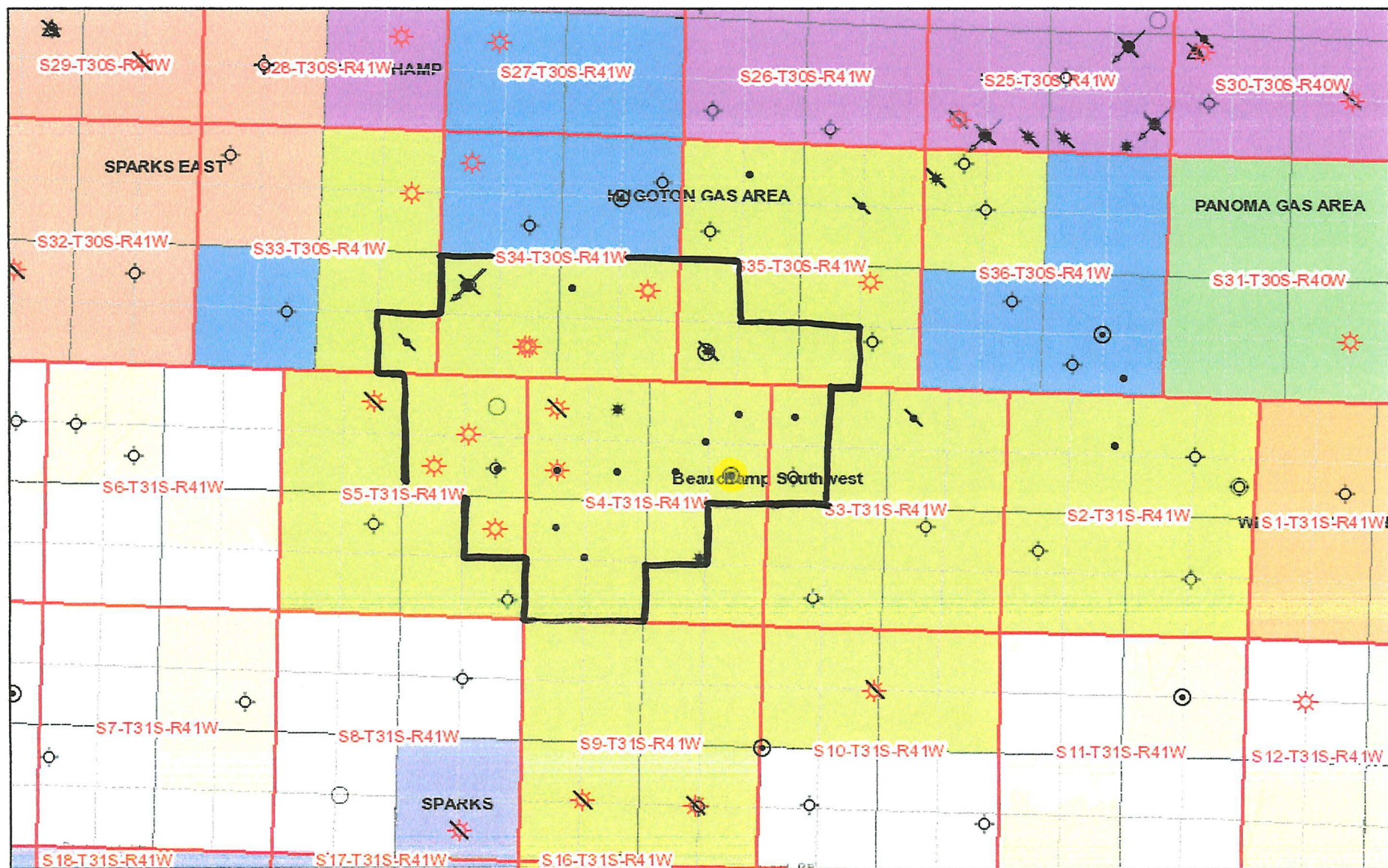
WHEREFORE, Operator prays that this matter be granted administratively without a hearing, or in the alternative be set for hearing, and upon hearing that the Commission grant Operator's request, for an exception to the K.A.R. 82-3-111 ten (10) year limitation, to allow the Well to remain temporarily abandoned for three (3) years, subject to annual approval by the Conservation Division District Office of an application for temporary abandonment status.

Respectfully submitted,

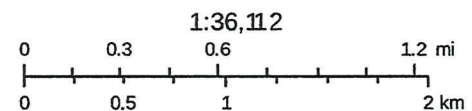
By: 
Brady Pfeiffer
Petroleum Engineer

Norstar Petroleum Inc.
88 Inverness Cir E, Unit F104
Englewood, CO 80112

Exhibit A- Beauchamp SW Unit Plat



February 16, 18



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey

Exhibit B – Lease Description of Beauchamp SW Unit

The Beauchamp SW Unit is comprised of the following 1,320 acres, more or less (“leased premises”):

In Township 30 South, Range 41 West, Stanton County, Kansas:

SW/4 SE/4, S/2 SW/4, NW/4 SW/4, Section 35;

S/2, Section 34;

SE/4 SE/4, Section 33.

In Township 31 South, Range 41 West, Morton County, Kansas:

W/2 NW/4, Section 3;

N/2, SW/4, NW/4 SE/4, Section 4;

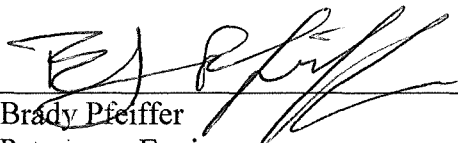
NE/4, NE/4 SE/4, Section 5.

CERTIFICATE OF SERVICE

I hereby certify on this 16th day of February, 2018, true and correct copies of the above and foregoing Application and the Notice of Application were served by depositing a copy of the same in the United States Mail, postage prepaid, and properly addressed to the following operator:

Stelbar Oil Corp Inc.
1625 N Waterfront Parkway, Suite 200
Wichita, KS 67202

and the original and seven (7) copies were mailed to the Kansas Corporation Commission.


Brady Pfeiffer
Petroleum Engineer

Norstar Petroleum Inc.
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Englewood, CO 80112