

APR 23 2012

**LEGAL SECTION THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Mark Sievers, Chairman
Ward Loyd,
Thomas E. Wright

In the matter of the Application of r.c Taylor)	Docket No. 12-CONS- <u>258</u> -CEXC
Companies, Inc. for an exception to the)	
10-year time limitation of K.A.R. 82-3-111)	
for its Kansas City Life #4 well located in)	CONSERVATION DIVISION
the NE/4 of Section 3, Township 35 South,)	
Range 31 West, Seward County, Kansas)	License No.: 30161

APPLICATION

COMES NOW r.c. Taylor Companies, 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 5661 N. Classen Boulevard, Oklahoma City, OK 73118.
2. Applicant has been issued by the Kansas Corporation Commission Operator’s License No. 30161, which expires on July 30, 2012.
3. Applicant is the owner and operator of the Kansas City Life #4 well, API No. 15-175-20092-00-00 (“the subject well”), which is located in the North Half of Southeast Quarter of the Northeast Quarter of Section 3, Township 35 South, Range 31 West, Seward County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands:

(Northeast Quarter of Section 3, Township 35 South, Range 31 West, Seward County, Kansas, containing 160 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 January 1, 2000. The subject well has maintained such status from January 1, 2000, to the present date.
5. On or about February 10, 2011, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after March 12, 2011, because subject well had been temporarily abandoned for more than ten (10) years.
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 pursuant to said regulation through an Application filed with the Commission pursuant to K.A.R. 82-3-100. Applicant seeks such an exception.
7. Applicant requests to postpone the mechanical integrity test for the subject well until June 2012. It is anticipated that the crop currently planted surrounding the subject well will have been harvested by such date, thereby allowing Applicant to access the well without damaging the current crop.
8. Applicant wishes to continue TA status for the subject well, because Applicant intends to use the well for the following purpose: The well may be utilized as an injection well in the future.
9. Applicant submits the following information regarding the well in support of the Application. The subject well offers an excellent location for conversion to an injection well should it be determined that it is economically feasible to initiate secondary recovery operations in the future. The cost to drill and complete a replacement well is approximately \$250,000. The cost to plug the Kansas City Life #4 is estimated to be \$25,000. This well has no oil and gas reserves that can be produced economically.

10. Applicant has included a plat map showing the following locations of all producing, injection, temporarily abandoned, abandoned, and plugged wells located on the same leased premises as the subject well.
11. 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 following the expiration of the 10-year limitation. Applicant understands that the exception would be valid 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.
12. 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 subject well) provided that such mineral interest is not covered by an oil and gas lease).
13. 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 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,

r.c. Taylor Companies, Inc.
5661 N. Classed Boulevard
Oklahoma City, OK 73118
(405) 840-2700
(405) 840-2704 (fax)

By: William M. Taylor
William M. Taylor, Vice President

CERTIFICATE OF SERVICE

I hereby certify on this 19 day of April, 2012, 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 landowner/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 the original and seven (7) copies were mailed to the Kansas Corporation Commission.

William M. Taylor
William M. Taylor

EXHIBIT A

A. Operators within one-half mile radius:

Landmark Resources
1616 S. Voss Road #150
Houston, TX 77057-2641

B. Mineral Interest Owner:

Max Louderback
RR 2, Box 256
Liberal, KS 67901

SECTION PLAT

Seward County, State of Kansas

Section 3 Township 35S Range 31W

NORTH

