

DEC 06 2018

CONSERVATION DIVISION
WICHITA, KS

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners:

In the matter of the Application of)	Docket No. <u>19-CONS-3203-CEXC</u>
Venture Resources, Inc. for an exception)	
to the 10-year time limitation of K.A.R. 82-3-111)	CONSERVATION DIVISION
for its Pywell B#1 well located in the SW/4NE/4)	
Sec. 35, Township 9 South, Range 20 West,)	
Rooks County, Kansas)	License No.: 30537
_____)	

APPLICATION

COMES NOW Venture Resources, Inc. ("Applicant") in support of its Application in the captioned matter and states as follows:

1. Applicant is a Kansas corporation authorized to do business in the State of Kansas. Applicants address is:
Venture Resources, Inc.
P.O. Box 101234
Denver, CO 80250
2. Applicant has been issued by the Kansas Corporation Commission Operator's License # 30537, which expires on October 30, 2019.
3. Applicant is the owner and operator of the Pywell B #1 well, API # 15-163-02324, ("the subject well"), which is located in the SW/4NE/4 of Section 35, Township 9 South, Range 20 West, Rooks County, Kansas. The subject well is located on an active oil and gas lease comprising the following lands: N/2NE/4, SW/4NE/4 Section 35, Township 9 South, Range 20 West, Rooks County, Kansas. ("leased premises")
4. Pursuant to K.A.R. 82-3-111, the Applicant obtained temporary abandonment status, for the subject well in 2004. The subject well has maintained such status from 2004 to the present date.

5. On or about April 7, 2015, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after April 7, 2015, 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. On April 30, 2015 the subject well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and the bottom of the well. After explaining to Richard Williams, KCC district for Hays office, our wish to retain subject well for future production in LKC or a salt water disposal (SWD) and a mechanical integrity test (MIT) was passed on April 30, 2015. Mr. Williams noted that the retrievable plug that was set some time ago @ 3505 feet needed to be within 50 feet from perfs or open hole in the producing zone. Pywell B #1 has 5 feet of open hole from 3796 feet to 3801 feet. On May 14, 2015 we removed the retrievable plug and cement squeezed the open hole with 75 sks. On May 27, 2015 another successful casing MIT was done. On October 13, 2015 under Docket No. 16-CONS-116-CEXC, the Kansas Corporation Commission issued an Order granting a three year exception to the 10-year limit on TA Status. On 11-21-2018 another successful casing MIT was done for the submission of this application
8. Applicant wishes to continue TA status for the subject well, because Applicant intends to perforate LKC zones, or apply for KCC permission to deepen and recompleate the subject well as a saltwater disposal well.
9. Applicant submits the following information regarding the well in support of the Application.

There are three (3) other producing wells and one (1) SWD on this lease. The leases current production is approximately four barrels per day. We do not have a reserve estimate at this time. As stated before, subject Applicant has removed the plug @ 3505 feet and has squeezed the open hole. In order to produce from the LKC zones, perforations will need to be shot in approximately two (2) zones, recompleate and equip the well. The estimated cost to perform this is \$65,000. In the event that Applicant would decide to convert into a SWD after KCC approval, the subject well would need to be deepened approximately 150 feet, a 4 ½ inch liner ran and cemented to surface, acidized & equipped. Estimated cost is \$105,000. Estimated cost to plug the subject well is: \$10,000. As set forth above, the subject well has potential value as an oil producer or as a saltwater disposal well, but the present economics does not allow us to pursue either option at this time.

10. 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.

11. Based on the foregoing, Applicant requests the Commission grant another exception to the 10-year limitation, specifically to allow the subject well to remain eligible for another 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 any 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 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,

VENTURE RESOURCES, INC.

P.O Box 101234

Denver, CO 80250

303-722-2899 office, 303-722-6598 Fax

By: _____

Todd W. Smith, President

CERTIFICATE OF SERVICE

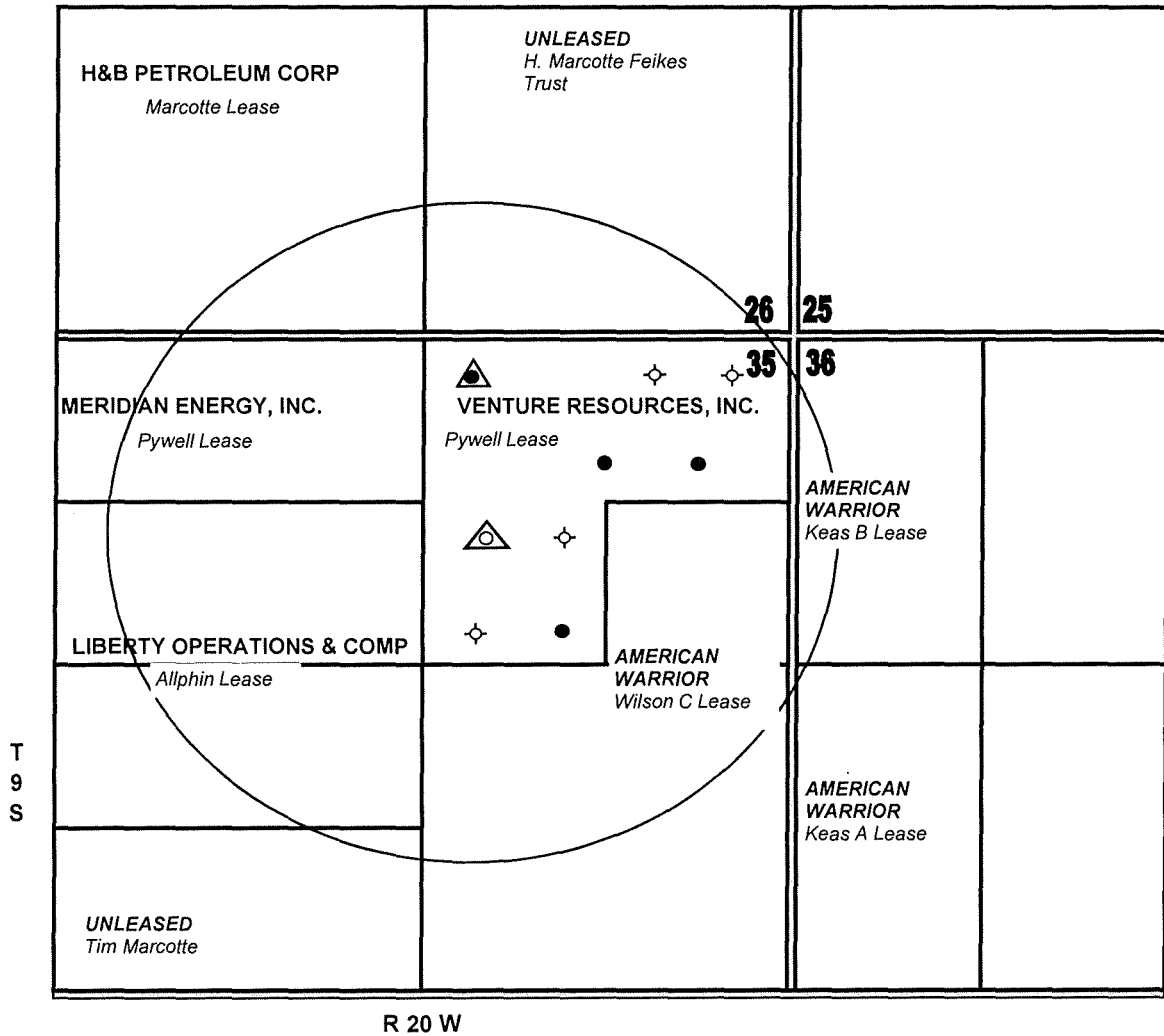
I hereby certify on this 28th day of November, 2018, true and correct copies of the above and foregoing Application and the Notice of Application were served by depositing copies of the same in the United States Mail, postage prepaid, and properly addressed to the landowner/s set forth in paragraph 12 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.



Todd W. Smith, President

EXHIBIT "A"

<u>Name</u>	<u>Address</u>
H&B Petroleum Corp.	PO BOX 277 ELLINWOOD, KS 67526-0277
Meridian Energy Inc.	1475 WARD DR FRANKTOWN, CO 80116-9405
Liberty Operations & Completions, Inc	100 SW 9TH PLAINVILLE, KS 67663-2229
American Warrior, Inc.	3118 CUMMINGS RD PO BOX 399 GARDEN CITY, KS 67846
H. Marcotte Feikes Trust	1010 W. PALM AVE. REDLANDS, CA 92373
Tim Marcotte	385 Y Rd. PALCO, KS 67657
George Pywell	102 SOUTH WEBB ZURICH, KS 67676



TA #4-001-909

DOCKET # _____

CASING MECHANICAL INTEGRITY TEST

Disposal Well ☐ Enhanced Recovery:Repressuring ☐Flood ☐Tertiary ☐

Date injection started _____

API #15- 163-02324-00-00GPS SE SW NE, Sec 35, T 9 S, R 20 E (W)2865' 2970 Feet from South Section Line1622' 1650 Feet from East Section LineLease Pywell BWell # 1County RooksOperator: Venture Resources, Inc.Operator License # 30537

Name &

Address 2255 S. Wadsworth, Ste 205Contact Person John CearleyLakewood, Co 80227Phone (785)-731-5073

Max. Auth. Injection Press. _____ Psi; Max Inj. Rate _____ bbl/d;

If Dual Completion - Injection above production _____ Injection below production _____

Conductor	Surface	Production	Liner	Size	Tubing
Size _____	<u>8 5/8</u>	<u>5 1/2</u>	_____	_____	_____
Set at _____	<u>244</u>	<u>3796</u>	_____	Set at _____	_____
Cement Top _____	<u>Surf. w/ 125 sk</u>	<u>2800 w/ 125 sk</u>	_____	Type _____	_____
" Bottom _____	<u>244</u>	<u>3796</u>	_____	_____	_____

(DV) Perf. 1650' w/ 1650 sk TD (and plug back) 3801 ft. depth

Packer type _____ Size _____ Set at _____

Zone of injection _____ ft. to ft. _____ Perf. or open hole _____

Type MIT: Pressure: ☐ Radioactive Tracer Survey: ☐ Temperature Survey: ☐F Time: Start 0 Min. 15 Min. 30 Min.

I

E Pressures: 320# 320# 320# Set up 1 System Pres. during test _____

L _____ Set up 2 Annular Pres. during test _____

D _____ Set up 3 Fluid loss during test _____ bbls.

D

A

T Tested: Casing ☒ or Casing - Tubing Annulus ☐

A

The bottom of the tested zone in shut in with Retr. BP @ 3000'Test Date 11-21-18 Using J&M Tank Service Company's EquipmentThe operator hereby certifies that the zone between 0 feet and 3000 feetwas the zone tested John Cearley Signature TitleThe results were Satisfactory *, Marginal _____, Not Satisfactory _____State Agent: Pat Budore Title: E.C.A.S. Witness: YES * NO _____REMARKS: Tested 5 1/2" Casing☒ KCC Origin. Conservation Div.: ☐ KDHE/T: ☒ 04 Dist. Office☐ Computer Update Is there Chemical Sealant or a Mechanical Casing patch in the annular space? (Y/N) ☒ KI

(If YES please describe in REMARKS)

GPS Lat 39.22763°N GPS Long 109.51820°W

KCC Form U-7