

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

In the matter of the Application of HG Oil) Docket No. 26-CONS-3047-CEXC
Holdings, LLC for an exception to the 10-year)
time limitation of K.A.R. 82-3-111 for its) Conservation Division
SMU 3605 well and SMU 311A well located in)
Meade County, Kansas.) License No: 35871

APPLICATION

HG Oil Holdings, LLC (“Applicant”) submits this Application pursuant to K.A.R. 82-3-100(b) requesting exceptions to the 10-year temporary abandonment time limitation set forth in K.A.R. 82-3-111(b) for its SMU 3605 and SMU 311A wells situated in Meade County, Kansas. In support of its Application, Applicant states as follows:

1. Applicant is a Kansas limited liability company authorized and in good standing with the Kansas Secretary of State’s office to do business in the State of Kansas. Applicant’s mailing address is P. O. Box 97, Plainville, Kansas 67663.

2. The Commission has issued Applicant oil and gas operator’s License No. 35871, which license is in full force and effect through September 30, 2025.

3. Applicant is an owner and the operator of the following described wells (“Subject Wells”) on the Stevens Morrow Unit (SMU) in Meade County, Kansas:

- a) #3605 injection well, 15-119-21123-0003, located in the SE SW NW of Section 36-T32S-R30W.
- b) #311A injection well, 15-119-21062-0001, located in the NE SW of Section 3-T33S-R30W.

4. The #3605 well was shut in June 11, 2015, and the #311A well was shut in March 31, 2015. Applicant’s predecessor in interest has maintained temporary abandonment status for the Subject Wells since that time.

5. On or about June 12, 2025, Commission staff notified Applicant that temporary abandonment status for the #3605 well would be denied from and after July 12, 2025, because said well had been temporarily abandoned for more than ten (10) years. On or about April 10, 2025, Commission staff notified Applicant that temporary abandonment status for the #311A well would be denied from and after May 10, 2025, because said 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. K.A.R. 82-3-111(b) provides that an exception to this 10-year limitation may be obtained, provided an application seeking such an exception is filed pursuant to K.A.R. 82-3-100(b). Applicant seeks such an exception.

7. The Subject Wells have passed Commission Staff-witnessed mechanical integrity tests of the casing between the surface and a point within fifty (50) feet above the uppermost perforation or open hole in the well. Specifically, the #3605 passed MIT on July 21, 2025, and the #311A passed MIT on April 23, 2025.

8. Applicant wishes to continue TA status for the Subject Wells, because Applicant desires to evaluate the Subject Wells for potential recompletion in the same or other formations for production oil. Current production from the SMU water flood unit is 1,720 barrels oil per month. The Subject Wells were completed as enhanced recovery wells in the Morrow formation, and should be evaluated for recompletion in the shallower Lansing-Kansas City formation. The Lansing-Kansas City formation has proven productive and economic on the SMU waterflood unit and in the vicinity thereof, and Applicant intends to evaluate the Subject Wells for potential recompletion as oil producers from said formation. The costs to perforate and recomplete each well in the Lansing-Kansas City formation is estimated to be approximately \$27,500. Applicant

estimates that potentially 15,000 BO can be recovered from the Lansing-Kansas City formation. The estimated cost to plug and abandon the Subject Wells is \$25,000 per well. Accordingly the value of such oil reserves substantially exceeds the cost to plug and abandon the Subject Wells, therefore the granting of this Application is necessary to prevent waste. Moreover, Applicant was only recently designated operator of the Subject Wells effective January 1, 2025, by T-1 Transfer of Operator forms approved by the Commission on May 12, 2025. Applicant previously had not had sufficient time to evaluate the Subject Wells for recompletion.

9. As demonstrated by the MIT recently conducted, the Subject Wells have satisfactory mechanical integrity and do not present a threat to fresh water.

10. Exhibit B is 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 Wells. There are 28 other wells on the SMU.

11. Based on the foregoing, Applicant requests the Commission grant an exception to the 10-year limitation, specifically to allow the subject wells to remain eligible for temporary abandonment status for 3 years following the expiration of the 10-year limitation.

12. A list of each operator and owner of unleased minerals, other than Applicant, within 1/2-mile of the Subject Well ("Offsets") is attached as Exhibit A. A copy of the Application and the Notice of Application was mailed to each Offset in connection with the original filing. Notice of Application has been published in the *Wichita Eagle* and the *Meade County News*, the official newspaper for Meade County, Kansas. As a result, notice complies with the requirements of K.A.R. 82-3-135a, and is lawful and proper in all respects.

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,

MORRIS LAING LAW FIRM

By: 

Jonathan A. Schlatter, #24848

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Wichita, KS 67202-2745

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Email – jschlatter@morrislaing.com


Attorneys for HG Oil Holdings, LLC

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

Jonathan A. Schlatter, of lawful age and being first duly sworn upon his oath, deposes and says:

That he is the attorney for HG Oil Holdings, LLC; he has read the above and forgoing Application and is familiar with the contents, and that the statements made therein are true and correct to the best of his knowledge and belief.


Jonathan A. Schlatter

SIGNED AND SWORN to before me this 13th day of August, 2025.


Notary Public

My Appointment expires: 11/05/2028



EXHIBIT A

“Offsets”

POSTERITY LAND INVESTMENTS, LLC
14181 5 ROAD
PLAINS, KS 67869

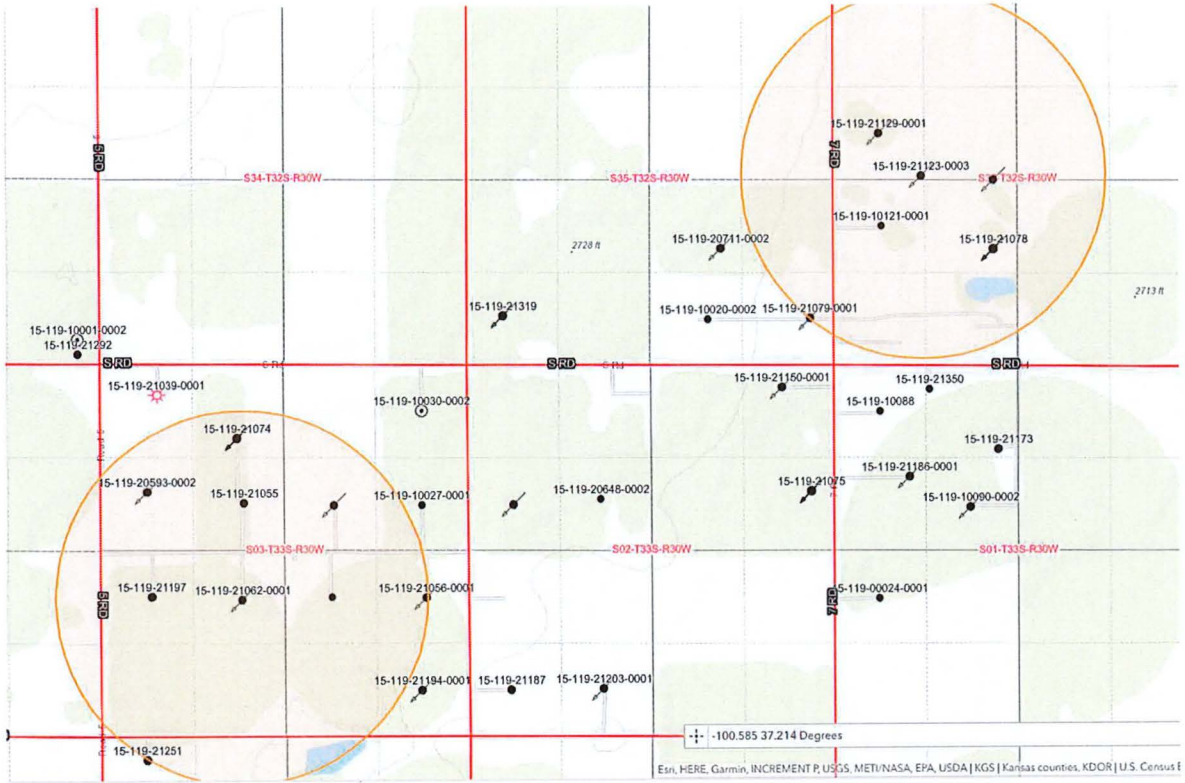
PACE, DANIEL R
BOX 146 PRETTY
PRAIRIE, KS 67570

SARAH E COLLINGWOOD FEIER TAG TRUST
PO BOX 1
WICHITA, KS 67201

AMERIN, GERALD
4072 K ROAD
PLAINS, KS 67869

HUSH, JAMES A & LAVETA J
PO BOX 458
PLAINS, KS 67869

EXHIBIT "B"
Plat



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Meade County, Kansas.) License No: 35871

NOTICE OF APPLICATION

TO ALL: OIL AND GAS OPERATORS, PRODUCERS AND LESSEES, OIL AND GAS LESSORS AND ROYALTY OWNERS, UNLEASED AND OFFSETTING MINERAL INTEREST OWNERS, LANDOWNERS, AND ALL PERSONS CONCERNED:

You are hereby notified that HG Oil Holdings, LLC ("Applicant") has filed an application with the Kansas Corporation Commission ("Commission") requesting an exception to the ten-year temporary abandonment time limitation of K.A.R. 82-3-111(b) for the following described wells:

Well Name	API No.	Location in Meade County, KS
SMU #3605	15-119-21123-0003	SE SW NW of Section 36-T32S-R30W
SMU #311A	15-119-21062-0001	NE SW of Section 3-T33S-R30W

The application is pending with the Commission. Any persons who object or protest to such application shall be required to file their objections or protests in writing with the Commission within 15 days from the date of this publication. If a written protest is not timely filed, the application may be granted by the Commission without hearing or further notice to any interested party. All objections and protests shall clearly state the reasons why granting the application will violate correlative rights, cause waste or pollution. Objections or protests shall be mailed to the Kansas Corporation Commission, Conservation Division, 266 N. Main St., Ste. 220, Wichita, KS 67202, with a copy to Applicant's attorneys listed below. All parties in any way interested or concerned shall take notice of the foregoing and govern themselves accordingly.

MORRIS LAING LAW FIRM
Jonathan A. Schlatter, #24848
300 N. Mead, Suite 200
Wichita, KS 67202-2745
Office: (316) 262-2671
Attorneys for HG Oil Holdings, LLC

CERTIFICATE OF SERVICE

I certify that on this 13th day of August, 2025, I caused the original of the foregoing Application and its Exhibits A and B and Notice of Application to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and true and correct copies of the same to be mailed by United States Postal Service, first class mail, postage prepaid, to the persons identified on Exhibit A.



Jonathan A. Schlatter