

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the matter of the Application of HG OIL	)	Docket <u>26-CONS-3032-CEXC</u>
Holdings for an exception to the 10-year time	)	
limitation of K.A.R. 82-3-111 for its	)	Conservation Division
SMU 3513 well located in the	)	
SE NW SW SW of Section 35, Township 32 South,	)	License No: 35871
Range 30 West, Meade County, Kansas.	)	

APPLICATION

COMES NOW HG Oil Holdings ("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 PO BOX 97 Plainville Kansas, 67663
2. Applicant has been issued by the Kansas Corporation Commission Operator's License 35871, which expires on September 30, 2025.
3. Applicant is the owner and operator of the Stevens Morrow Unit (SMU) 3513 well, 15-119-21319-00-00 which is located in the SE NW SW SW of Section 35, Township 32 South, Range 30 West, Meade County.
4. Pursuant to K.A.R. 82-3-111, the well was shut in during May 2012, or Applicant obtained temporary abandonment status from the Kansas Corporation Commission on May 28th 2012. The subject well has maintained such status from May 2012, to the present date.
5. On or about March 30, 2025, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after June 30th, 2025, 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 23rd, 2025, the subject well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within fifty (50) feet above the uppermost perforation or open hole in the well.

8. Applicant wishes to continue TA status for the subject well, because Applicant intends to use the well for the following purpose: Recompletion of the well in the same or other formations, and chemical stimulation to produce gas reserves believed to exist at this well.

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

- a. Twenty-Eight other wells are lease / water flood unit.
- b. Estimated costs to plug each well are \$25,000 per well.
- c. Current production from the water flood is 1720 barrels oil per month.
- d. The SMU 3513 was completed in the zone in the Marrow and Mississippian and should be evaluated for additional zones to open by perforation.
- e. Estimated costs to perforate and recomplete the well in an additional zone will be approximately \$27,500

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. Exhibit "B".

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 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.

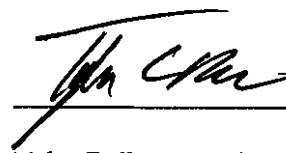
WHEREFORE, Applicant prays that this matter be granted administratively without a hearing, or in the alternative be set for hearing, and upon hearing that the Commission grant Applicant's request, for an exception to the K.A.R. 82-3-111 ten (10) year limitation, to allow the subject well to remain temporarily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

Respectfully Submitted,

HG OIL HOLDINGS

PO BOX 97 Plainville Kansas, 67663

620-213-1029



Tyler Bell – Superintendent

VERIFICATION

STATE OF KANSAS)
) SS
COUNTY OF Rooks)

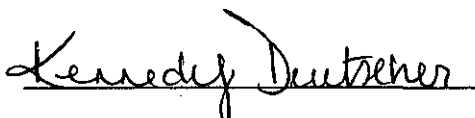


Tyler Bell, of lawful age, being duly sworn upon his oath deposes and states:

That he has the authority on behalf of HG OIL HOLDINGS to file this application, that he has read the above and foregoing application and is familiar with the contents thereof; and, that the statements made therein are true and correct to the best of his knowledge and belief.


Tyler Bell – Superintendent

SUBSCRIBED AND SWORN to before me this 21st day of July, 2025.


Notary Public

My Appointment Expires:

04/08/2029

CERTIFICATE OF SERVICE

I hereby certify on this 23 day of July, 2025, 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, each party set forth in Exhibit "A" attached to said Application filed by Applicant, and the original to the Kansas Corporation Commission.


Tyler Bell – Superintendent

EXHIBIT "A"

Mineral Owners within ½ mile of SMU 3513 Section 35, Township 32 South, Range 30 West,
Meade County, Kansas.

L H BROWN AND THAIS BROWN JTS,

PO BOX 126,

PLAINS KS 67869-0126

EXHIBIT "B"

