

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

In the matter of the Application of Yellow Rose) Docket No. 25-CONS- 3341-CEXC
Operating Co., LLC for an exception to the)
10-year time limitation of K.A.R. 82-3-111 for) CONSERVATION DIVISION
its Spradling #57, #72 and #73 wells located in)
the W/2 of Section 26, Township 32 South,) License No. 36119
Range 17 East, Labette County, Kansas.)

APPLICATION

Yellow Rose Operating Co., LLC (“Applicant”) submits this Application requesting an exception to the 10-year temporary abandonment time limitation set forth in K.A.R. 82-3-111(b) for its Spradling #57, #72, and #73 wells pursuant to K.A.R. 82-3-100(b). 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 Kansas. Applicant’s mailing address is 2035 Island Oak St., Houston, TX 77062.

2. The Commission has issued Applicant oil and gas operator’s License No. 36119, which license is in full force and effect through March 30, 2026.

3. Applicant is the operator of the following described wells (“Subject Wells”):

Well Name	API No.	Location measured from SE/c of Section 26-T32S-R17E, Labette County, KS
Spradling #57	15-099-21981-0000	3,701’ FSL & 3,682’ FEL
Spradling #72	15-099-21996-0000	161’ FSL & 4,635’ FEL
Spradling #73	15-099-21997-0000	150’ FSL & 4,148’ FEL

The Subject Wells are located on a valid and subsisting oil and gas lease covering the W/2 of Section 26-T32S-R17E, Labette County, Kansas, among other lands (“Leased Premises”). The Leased premises are depicted on Exhibit A.

4. The Subject Wells were shut-in on or about July 1, 2009. Applicant became the operator of the Subject Wells effective July 8, 2024, by T-1 file-stamped "Received by Kansas Corporation Commission" on October 4, 2024.

5. On April 2, 2025, Commission staff denied Applicant's Temporary Abandonment Applications for the Subject Wells on the grounds that the Subject Wells had been shut-in for more than 10 years. In the letters denying the Temporary Abandonment Applications, Commission staff required this Application to be submitted by May 2, 2025, in order to continue temporary abandonment status for the Subject Wells. Accordingly, this Application is timely submitted.

6. K.A.R. 82-3-111 imposes a 10-year limitation on the amount of time during which a well 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). This Application seeks such an exception for the Subject Wells.

7. On March 18, 2025, the Subject Wells passed a Commission staff-witnessed mechanical integrity test of the casing between the surface and a point within 50' above the uppermost perforation in the Subject Wells.

8. Applicant wishes to continue the temporary abandonment status for the Subject Wells so that the Subject Wells may be utilized as producers or injectors in the enhanced oil recovery operation Applicant has planned for the Leased Premises.

9. Applicant's technical consultants have evaluated the proved oil reservoirs beneath the Leased Premises, and have determined that significant additional oil reserves can be recovered through the implementation of an enhanced oil recovery operation. Applicant presently designing the enhanced oil recovery operation, which will involve a significant capital investment in leasehold infrastructure, and an analysis and evaluation of the wells on the Leased Premises,

inclusive of the Subject Wells, to determine which are best suited for use as producers and which are best suited as injectors in order to maximize the recovery of secondary oil reserves. If the enhanced oil recovery operation is successful, significant oil reserves will be recovered, thereby preventing waste.

10. As demonstrated by the MIT's recently conducted, the Subject Wells have satisfactory mechanical integrity and do not present a threat to fresh water. The estimated cost to plug and abandon the Subject Wells is approximately \$11,250 each. The estimated oil reserves that can be recovered through enhanced oil recovery operations exceeds the cost to plug and abandon the Subject Wells by many multiples.

11. Attached as Exhibit A is a plat map showing the location of all producing, injection, temporarily abandoned, abandoned, and plugged wells located on the Leased Premises.

12. For the foregoing reasons, Applicant requests that the Commission grant an exception to the 10-year time limitation for temporary abandonment status set forth in K.A.R. 82-3-111, specifically to allow the Subject Wells to remain eligible for temporary abandonment status for three years following the expiration of the 10-year limitation. While the Subject Wells remain shut-in during such three-year period, Applicant will continue to annually submit temporary abandonment applications.

13. 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 B. A copy of this Application and the Notice of Application is being sent to each Offset contemporaneous with the filing of this Application. The Notice of Application will be published in the *Wichita Eagle* and the *Labette Avenue*, the official newspaper for Labette 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. Each publisher's

affidavit will be provided to the Commission upon and after the date of publication of the Notice of Application.

WHEREFORE Applicant requests that the Commission docket this Application and, if no written protest is received within 15 days after Notice of the Application is published and has been duly provided to all interested parties, administratively grant this Application and issue an order granting an exception to the 10-year time limitation prescribed by K.A.R. 82-3-111, and allow the Subject Wells to remain temporarily abandoned for three additional years, subject to annual approval by the applicable Conservation Division District Office. In the event a timely and proper protest is filed, Applicant requests that the Commission set this Application for hearing, and upon such hearing grant the requested order and make such other provisions as it deems necessary and proper.

Respectfully submitted,

MORRIS LAING LAW FIRM

By: 
Jonathan A. Schlatter, #24848
300 N. Mead, Suite 200
Wichita, KS 67202-2745
Telephone - (316) 262-2671
Email – jschlatter@morrislaing.com
Attorneys for Yellow Rose Operating Co., LLC

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

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

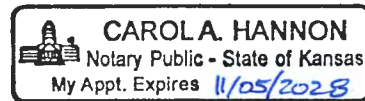
That he is the attorney for Yellow Rose Operating Co., LLC; he has read the above and forgoing Application and is familiar with the contents, and that the statements made therein are true and correct to the best of his knowledge and belief.


Jonathan A. Schlatter

SIGNED AND SWORN to before me this 24th day of April, 2025.


Notary Public

My Appointment expires: 11/05/2028



Plat

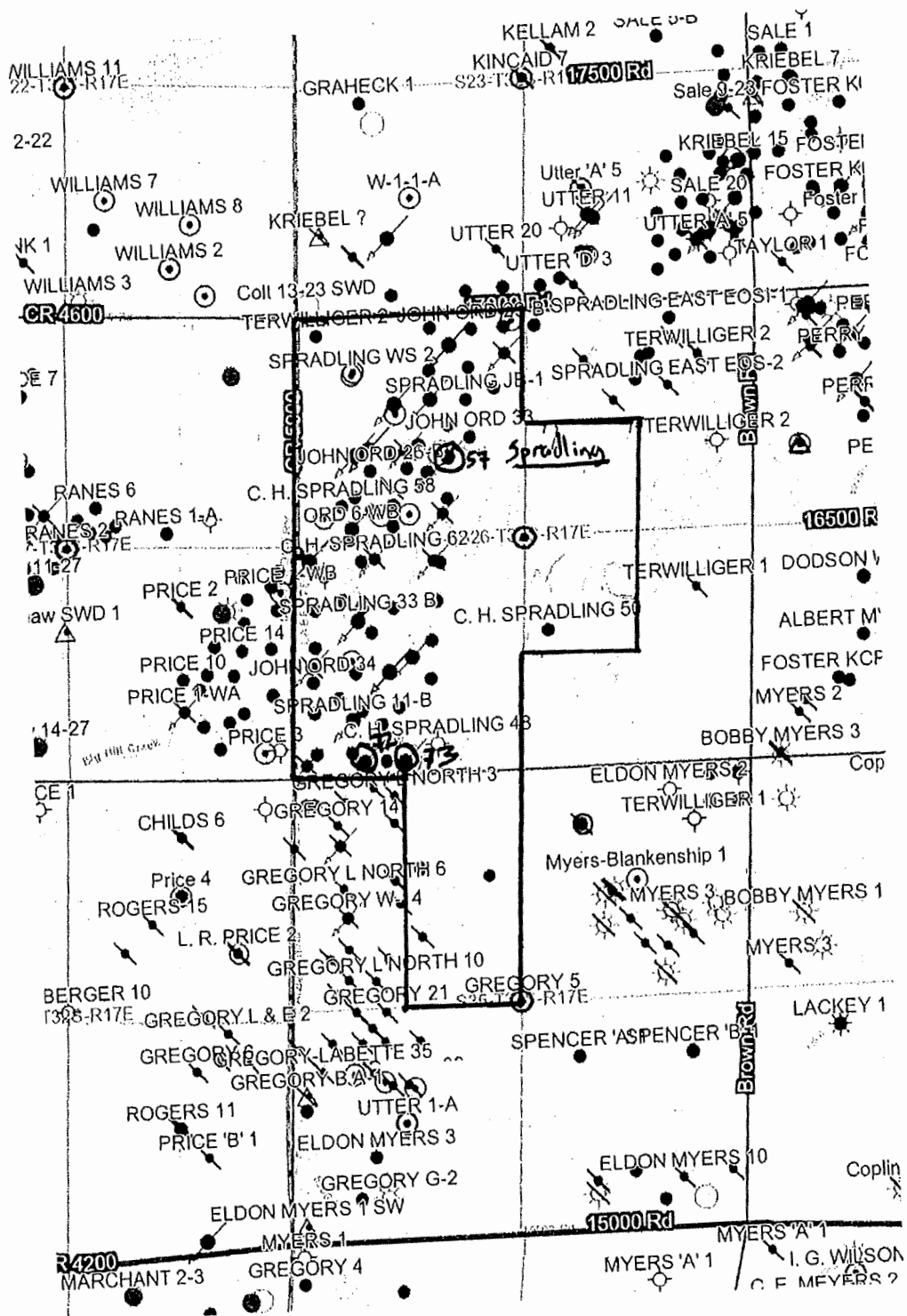


EXHIBIT B

Offsets

Colt Energy, Inc.
6299 NALL AVE #STE 100
MISSION, KS 66202

CHARLES E and JUDY A PETERSON TRUST
5343 CR 3800
LIBERTY, KS 67351

DON A and LINDA K SALE TRUST,
193 17500 RD
Cherryvale, KS 67335

BIG HILL FARMS INC
195 17500 RD
Cherryvale, KS 67335

GEORGE H BENNETT
ROSA M BENNETT; SCOTT P BENNETT; JASON C BENNETT
10305 N. 140TH E. AVE
OWASSO, OK 74055

LEONARD L SHEPARD,
247 16500 RD
CHERRYVALE, KS 67335

BOBBY R MYERS REV TRUST
214 15000 RD
CHERRYVALE, KS 67335

MARY JO and MICHAEL S WALLIS,
2900 LAKEVIEW LN
INDEPENDENCE, KS 67301

DUSTEN R HOOPER,
702 N NEOSHO
CHERRYVALE, KS 67335

LARRY W and NANCY L GREGORY,
116 15000 RD
CHERRYVALE, KS 67335

JEFFREY L & PAULA S MARCHANT REV. LIVING TRUST 06/27/2017
PO BOX 145
LIBERTY, KS 67351-0145

KENNETH R & CONNIE L MCNICKLE, CO TRUSTEES
of the Rev Trusts dated 05/16/13
16091 DOUGLAS RD
CHERRYVALE, KS 67335

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Operating Co., LLC for an exception to the)
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its Spradling #57, #72 and #73 wells located in)
the W/2 of Section 26, Township 32 South,) License No. 36119
Range 17 East, Labette County, Kansas.)

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 Yellow Rose Operating Co., 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:

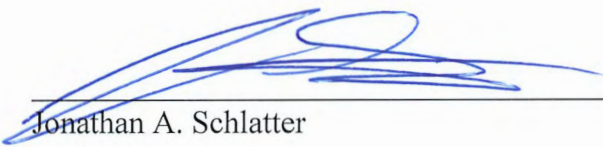
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Spradling #73	15-099-21997-0000	150' FSL & 4,148' FEL

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
Yellow Rose Operating Co., LLC

CERTIFICATE OF SERVICE

I certify that on this 24th day of April, 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 B to the original application.



Jonathan A. Schlatter