

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

In the matter of the Application of Canaday Oil) Docket No: 24-CONS-3103-CUNI
Corporation for an Order Authorizing the)
Unitization and Unit Operation of the Irons) CONSERVATION DIVISION
Morrow Sand Unit in Clark County, Kansas)
_____) License No: 5303

**PROTEST OF APPLICATION OF CANADAY OIL CORPORATION FOR AN
ORDER AUTHORIZING THE UNITIZATION AND UNIT OPERATION OF
THE IRONS MORROW SAND UNIT IN CLARK COUNTY, KANSAS**

COMES NOW, Mark Mahieu, Michelle Mahieu, Estate of Eddie V. Mahieu, and Estate of Linda L. Mahieu, 304 CR 7, Minneola, Kansas; Thomas O'Brien, Trustee of the O'Brien Family Trust dated July 22, 2011, 1612 Foxworthy Ave., San Jose, CA 95118 and John L. Bair, Trustee of the John L. Bair Trust dated January 25, 1999 as amended, 5205 W. 95th Terrace #111, Overland Park, Kansas 66207 ("Protestors"), by and through Michelle Mahieu of Mahieu Elder Law PA, Dodge City, Kansas, and pursuant to K.A.R. §82- 135b hereby submit to the State Corporation Commission ("Commission") their protest against the granting of the Application of Canaday Oil Corporation for the authorization of the unitization and unit operation of the Irons Morrow Sand Unit in Clark County, Kansas with respect to the Northwest Quarter (NW/4), the Northeast Quarter (NE/4) and the Southeast Quarter (SE/4) of Section 18, Township 30 South, Range 24 West of the 6th P.M., Clark County, Kansas. In support of this protest, Protestors state and allege as follows:

1. Protestors own an undivided 100% of the mineral interest in and under the Northwest Quarter (NW/4), the Northeast Quarter (NE/4) and the Southeast Quarter

(SE/4) of Section 18, Township 30 South, Range 24 West of the 6th P.M., Clark County, Kansas.

2. Applicant admits Protestors' land is not subject to a lease at paragraph 13 of the Application. According to Applicant's figures at paragraph 4 of the Application, only 40 acres of the 760 targeted for unitization belong to Protestors. Of that 40 acres, Exhibit "E" shows that the "pool" is actually on or under fewer than 20 acres of Protestors' land. Only 5% of the total acreage targeted for unitization belongs to Protestors and Applicant proposes to allocate only 3.5% of the proceeds to Protestors' while exposing their property to all of the vagaries of oil production and forcing them to be 7/8 working interest owners with the attendant costs of operation to which Protestors object. This is a violation of the requirement of K.S.A. 55-1304(c) that the proposed operation be fair and equitable to all interest owners.

3. Under K.S.A. 55-1304, Applicant is also required to prove

(a)(1) The primary production from a pool or a part thereof sought to be unitized has reached a low economic level and, without introduction of artificial energy, abandonment of oil or gas wells is imminent; or (2) the unitized management, operation and further development of the pool or the part thereof sought to be unitized is economically feasible and reasonably necessary to prevent waste within the reservoir and thereby increase substantially the ultimate recovery of oil or gas;

(b) the value of the estimated additional recovery of oil or gas substantially exceeds the estimated additional cost incident to conducting such operations.

Protestors ask the Commission to put Applicant on strict proof of the factors in K.S.A. 55-1304.

4. The Protestors have no objection to the unitization of the other land set forth in the Applicant's Application filed herein. This Protest is simply limited to the mineral interest owned by Protestors in and under the Northeast Quarter of the Northeast Quarter (NE/4 NE/4) of Section 18, Township 30 South, Range 24 West of the 6th P.M., Clark County, Kansas.

5. Protestors' land adds nothing to the intended operations of Applicant, forcing its inclusion in this proposed unit violates Protestors' correlative rights and is not fair and equitable to Protestors and their land should therefore not be included in the unit. Table 1 showing the Applicant's calculation of shares based on the factors and weights enumerated in paragraph 7 of the Application show that Protestors' land had no primary production. It accounts for only 1% of the acre feet in the pool and has no usable wells. There is simply no fair or economic reason to include Tract 5 in this unitization effort.

WHEREFORE, Protestors, Mark Mahieu, Michelle Mahieu, Estate of Eddie V. Mahieu, Estate of Linda L. Mahieu, Thomas O'Brien, Trustee of the O'Brien Family Trust, and John L. Bair, Trustee of the John L. Bair Trust pray that the Application and this Protest be set for hearing before the Commission; that upon receipt of testimony and other evidence presented at a hearing, the Commission deny the Applicant's Application, or, in the alternative, remove Protestors from the unit; and for such other and further relief as the Commission believes is proper and authorized by Kansas law.

Respectfully submitted,



Michelle Mahieu, #19324
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VERIFICATION

STATE OF Kansas, ss:


COUNTY OF Clark,

Mark Mahieu, of lawful age, being first duly sworn, upon oath states: she is one of the Protestors in the foregoing Protest Application of Canaday Oil Corporation; she has read the foregoing Protest, knows of its contents and knows that the statements made therein are true.



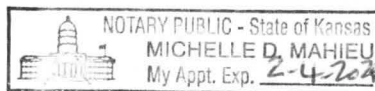
Mark Mahieu

Subscribed and sworn to before me on this 19 day of October, 2023.



Notary Public

My Appointment Expires: 2-4-2026



CERTIFICATE OF SERVICE

24-CONS-3103-CUNI

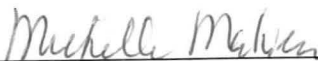
I certify that a true copy of the attached Protest has been served to the following by means of first class mail and/or electronic service on October 20, 2023.

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