

BEFORE THE STATE CORPORATION COMMISSION OF THE
STATE OF KANSAS

23-CONS-3070-CBPO

IN THE MATTER OF THE APPLICATION)	DOCKET NO. 23-CONS-____-CBPO
OF SCOUT ENERGY MANAGEMENT,)	
LLC, FOR AN ORDER DISSOLVING THE)	DOCKET NO. C-164
BASIC INTEGRATED PRORATION)	Consolidated with
ORDER FOR THE HUTOTON GAS FIELD)	DOCKET NO. 60-024-C (C-7,058)
AND THE PANOMA COUNCIL GROVE)	
GAS FIELD IN KEARNY, FINNEY,)	LICENSE NO. 34832
GRANT, HASKELL, MORTON,)	
STEVENS, SEWARD, STANTON, GRAY,)	CONSERVATION DIVISION
HAMILTON AND WICHITA COUNTIES,)	
KANSAS.)	
_____)	

**APPLICATION FOR AN ORDER DISSOLVING THE
BASIC INTEGRATED PRORATION ORDER FOR THE
HUGOTON GAS FIELD AND THE PANOMA COUNCIL GROVE GAS FIELD**

COMES NOW, Scout Energy Management, LLC ("Applicant"), and alleges and states as follows:

1. Applicant is the owner and operator of extensive gas-producing leasehold interests in the Kansas Hugoton Gas Field. Said field is located in Kearney, Finney, Grant, Haskell, Morton, Stevens, Seward, Stanton, Gray, Hamilton and Wichita Counties, Kansas. Applicant is also the owner and operator of extensive gas-producing leasehold interests in the Panoma Council Grove Gas Field, which is located in Grant, Hamilton, Kearny, Morton, Stanton and Stevens Counties, Kansas.

2. On May 11, 2007, in Docket Number (C-164) and consolidated with Docket No. 60,024-C (C-7058), this Commission adopted the Basic Integrated Proration Order for the Hugoton Gas Field and the Panoma Council Grove Gas Field, ("BIPO").

3. Said BIPO is in full force and effect and now governs largely downhole commingled gas production from said fields in place of two prior basic proration orders for each field that were substantially amended and combined into the BIPO.

4. The Commission exercised its jurisdiction in establishing the Basic Proration Orders to safeguard the correlative rights of landowners and operators in each common source of supply, to prevent disproportionate production therefrom, and in order to provide for orderly development of new wells.

5. In the Order of February 2007, the Commission found that substantial depletion of reservoir pressure and gas volumes in the fields reduced the need for continued strict prorationing under the Basic Proration Orders for both the Hugoton Gas Field and Panoma Council Grove Gas Field to prevent waste and protect correlative rights.

6. At the present time there has been even more substantial depletion of reservoir pressure and reduced gas volumes in the fields such that the need for continued prorationing under the BIPO to prevent waste and protect correlative rights is no longer needed. The decline of pressure and production over six (6) decades of production precludes significant uncompensated drainage of gas between developed leases. Moreover, low production rates among the wells in each field now dictates that the regulatory provisions of the Basic Integrated Proration Order are unnecessary. Dissolution of the Basic Integrated Proration Order will not unduly and adversely affect the economics of prudently operating and producing wells in the fields pursuant to statewide rules.

7. Applicant respectfully submits that the terms of the BIPO are no longer necessary for the prevention of waste and protection of correlative rights.


8. The BIPO should be dissolved in its entirety.

9. Attached and a made a part hereof is Exhibit A, a list of names and addresses of all operators in the two fields concerned, as shown on the latest Combined Hugoton Panoma Council Grove Gas Production Schedule and the records of the Commission. Notice of this Application by regular mail will be made by Applicant to the entities on said list.

10. Notice also will be published in the official county newspaper for each of the eleven counties named above and in *The Wichita Eagle* newspaper.

WHEREFORE, Applicant prays that this cause be docketed and that in the absence of protest it be granted administratively. Applicant prays that an order in conformance with the above and dissolving the BIPO be issued.

Respectfully submitted,



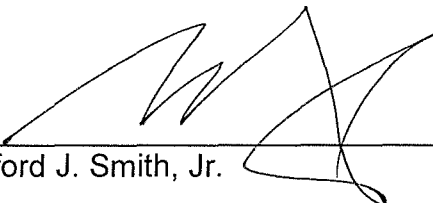
Stanford J. Smith, Jr. #11353
MARTIN, PRINGLE, OLIVER, WALLACE
& BAUER, L.L.P.
645 East Douglas, Suite 100
Wichita, KS 67202
Attorneys for Scout Energy Management, LLC

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

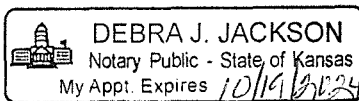
COMES NOW, Stanford J. Smith, Jr., of lawful age, being first duly sworn on his oath states:

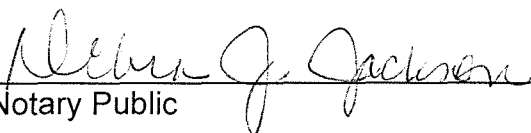
That he is the attorney for Scout Energy Management, LLC, named in the foregoing Application, and is duly authorized to make this verification on behalf of the Applicant; that he has read the above and foregoing Application and knows the contents thereof and that the facts set forth therein are true and correct to the best of his knowledge, information and belief.



Stanford J. Smith, Jr.

SUBSCRIBED AND SWORN TO before me this 26th day of August, 2022.





Notary Public

My Appointment Expires:
10/19/2024

EXHIBIT A

HUGOTON – PANOMA OPERATORS

Kenneth R. Lang 301 W Bellevue Garden City, KS 67846	Jedona Energy, LLC Vic Freeman 1207 Circle Drive Garden City, KS 67846
M. L. Spikes 607 1 st Street Garden City, KS 67846	City Of Ulysses 115 W Grant Ulysses, KS 67880
Herman L. Loeb, LLC PO Box 838 Lawrenceville, IL 62439	Becker Oil Corporation PO Box 1150 Ponca City, OK 74602
Andrew E. Larson Trust 3510 N. Little Lowe Rd Garden City, KS 67846	San Marco Petroleum, Inc. 240 Milwaukee Street Suite 200 Denver, CO 80206
Larson Engineering, Inc. Larson Operating Company 562 W State Rd 4 Olmitz, KS 67564	HJ, Inc. 330 Industrial Dr Garden City, KS 67846
Samuel Gary Jr. & Associates, Inc. 1515 Wynkoop, Ste 700 Denver, CO 80202	Thoroughbred Associates L.L.C. 8100 E 22nd St Ste 600 Wichita, KS 67226
American Warrior, Inc. PO Box 399 Garden City, KS 67846	City Of Satanta 503 Ponca Ave PO Box 665 Satanta, KS 67870
Dolomite Resources Corporation 2250 N Rock Rd #1181 Wichita, KS 67226	Norstar Petroleum, Inc. 88 Inverness Cir E. Unit F104 Englewood, CO 80112
Manford A. Nichols General Partnership 1069 Rd RR Sublette, KS 67877	C & R Petroleum Co. Curtis F. Covington PO Box 1341 Duncan, Ok 73534

McCoy Petroleum Corporation 9342 E Central Wichita, KS 67206	Novy Oil & Gas, Inc. PO Box 559 Goddard, KS 67052
Pintail Petroleum, Ltd. 225 N Market Ste 300 Wichita, KS 67202	Crown Consulting, Inc. PO Box 1816 Liberal, KS 67905
Mull Drilling Company, Inc. 1700 N Waterfront Pkwy Bldg 1200 Wichita, KS 67206	American Hugoton Development, L.C. 2813 East 36th Place PO Box 8151 Tulsa, OK 74101
Lario Oil & Gas Company 301 S Market St Wichita, KS 67202	Amcon Resources, Inc. 5400 N Grand Blvd Ste 565 PO Box 3025 Oklahoma City, Ok 73101
Russell Freeman Continental Energy PO Box 918 Garden City, KS 67846	H & B Petroleum Corp. PO Box 1305 Hutchinson, KS 67504
Beren Corporation 2020 N. Bramblewood St Wichita, KS 67206	Irsik & Doll Feed Services, Inc. 104 W Ave A PO Box 847 Cimarron, KS 67835
D. R. Lauck Oil Co., Inc. 24 N Cypress Dr Wichita, KS 67206	Russell Gas Co., LLC PO Box 695 Hugoton, KS 67451
Inter-American Energy Corp. 260 Adelaide St E PO Box 191 Toronto, ON Canada M5a1n1 33139	Merit Energy Company, LLC 13727 Noel Road, Suite 1200 Dallas, TX 75240
Herman Lang Marital Trust 330 Industrial Dr Garden City, KS 67846	Abercrombie Energy, LLC 10209 W. Central, Ste 2 Wichita, KS 67212

Stelbar Oil Corporation, Inc. 1625 N Waterfront Pkwy Ste 200 Wichita, KS 67206	Pioneer Oil Company, Inc. 400 Main Street PO Box 237 Vincennes, IN 47501
Alpha Management Corp Robert Greenberg 1240 Glenbrook Dr Oklahoma City, OK 73118	M. A. Williams PO Box 632043 Houston, TX 77263
First National Oil, Inc. PO Box 31866 Edmond, OK 73003	Nadel And Gussman, LLC 15 E 5th St Ste 3300 Tulsa, Ok 74103
Robert P. Wilson, Inc. 15 Windermere Road Montclair, NJ 07043	Kansas Natural Gas Operating, LC 1200 Main St PO Box 818 Hays, KS 67601
Kaiser-Francis Oil Company PO Box 21468 Tulsa, OK 74121	Anderson Oil Ltd. 5005 Woodway Dr # 300 Houston, TX 77056
Oil Producers Eastern Kansas RR 1, Box 148 Liberty, KS 67351	XTO Energy Inc. 210 Park Ave Ste 2240 Oklahoma City, Ok 73102
The Trees Oil Company 3552 E Douglas Wichita, KS 67208	W.R. Williams PO Box 15163 Amarillo, TX 79105
H & C Oil Operating Inc. PO Box 86 Plainville, KS 67663	Pawataca Production Co. Wade Berlier 1569 Rd 160 PO Box 1044 Lakin, KS 67860
Barbour Energy Corporation PO Box 13480 Oklahoma City, OK 73113	Renick Energy, L.C. 17103 M Road Cimarron, KS 67835

John W. Koehn 1849 Rd 70 Sublette, KS 67877	Mayhew Properties Chester Mayhew PO Box 977 Sublette, KS 67877
Breck Operating Corp. 300 N Breckenridge PO Box 911 Breckenridge, TX 76424	Robert M. Nightengale 2225 50 Rd Copeland, KS 67837
City Of Garden City, Kansas 301 N 8th St PO Box 998 Garden City, KS 67846	EnergyPro, Inc. 500 S Hangar Dr Georgetown, TX 78628
Marexco, Inc. PO Box 21598 Oklahoma City, OK 73156	XOG Operating, LLC PO Box 352 Midland, TX 79702
City Of Hugoton, Kansas 631 S Main St PO Box 788 Hugoton, KS 67951	Albert Thornbrough Trust 131 NE Wavecrest Ct Boca Raton, FL 33432
Lowry Exploration, Inc. 616 S. Boston Ave. Ste 402 Tulsa, OK 74119	Foundation Energy Management, LLC 5057 Keller Springs Rd, Suite 650 Addison, TX 75001
Lawrence Withers 2298 90th Rd Copeland, KS 67837	Beymer Brothers, LLC 222 N Main Street PO Box 363 Lakin, KS 67860
Henry Nightengale 694 Road SS Sublette, KS 67877	White Exploration, Inc. PO Box 780425 Wichita, KS 67278
Sublette Enterprises, Inc. PO Box 917 Sublette, KS 67877	Charles N. Griffin 126 S Main St Pratt, KS 67124
Wanda Smith 401 Barton PO Box 375 Syracuse, KS 67878	LeBosquet Gas Operations, LLC 535 S Emporia Ste 103 Wichita, KS 67202

Max R. Koehn 1555 XX Rd Copeland, KS 67837	Agricultural Energy Services PO Box 31865 Edmond, Ok 73003
Great Plains Petroleum, Inc. 221 Circle Dr Wichita, KS 67218	Berexco, LLC 2020 N. Bramblewood Wichita, KS 67206
Spess Oil Company A General Partnership 200 S Broadway St Cleveland, OK 74020	Atlas Operating, LLC 1900 St. James Place Suite 800 Houston, TX 77056
Apollo Energies, Inc. 10378 N 281 Hwy Pratt, KS 67124	Edison Operating Company, LLC 8100 E. 22nd St. N., Bldg 1900 Wichita, KS 67226
Hartman Oil Co., Inc. 10500 E Berkeley Sq Pkwy Ste 100 Wichita, KS 67206	Elm III Operating Company, LLC 1249 E. 33rd St Edmond, OK 73013
Murfin Drilling Co., Inc. 250 N Water Ste 300 Wichita, KS 67202	H & L Operating Company PO Box 7506 Amarillo, TX 79114
Robert W. Davis PO Box 487 Richfield, KS 67953	Petroleum Development Co. 401 S Boston Ave Ste. 1850 Tulsa, OK 74103
Sally L. Bone PO Box 97 Woodland Park, CO 80866	Ring Energy, Inc. PO Box 11350 Midland, TX 79702
Western Pacific Farms, Inc. 2257 100 th Rd Copeland, KS 67837	T & T Well Service 6009 Plum thicket Rd Oklahoma City, OK 73162
Emery Koehn 805 Road SS Sublette, KS 67877	BCE-Mach III, LLC 14201 Wireless Way Suite 300 Oklahoma City, OK 73134
P & M Farms A General Partnership P. O. Box 30 Johnson, KS 67855	Wynn Crosby Operating, Ltd. 1700 Pacific Ave Suite 1200 Dallas, TX 75201

<p>Casillas Petroleum Corp. 348 Road DD Satanta, KS 67870</p>	<p>Lime Rock Resources II-A, LP 1111 Bagby St., Suite 4600 Houston, TX 77002</p>
<p>PT Oil, LLC 26661 S Docking Rd PO Box 232 Osage City, KS 66523</p>	<p>Enterra Resources, LLC PO Box 5278 Edmond, OK 73083</p>
<p>Keith L. Strasser 12530 N 16 Mile Rd Garden, City, KS 67846</p>	<p>Black Oak Exploration, LLC 1474 S St. Paul St Denver, CO 80210</p>

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NOTICE OF PENDING APPLICATION

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

TO: ALL OIL AND GAS PRODUCERS, UNLEASED MINERAL INTEREST OWNERS, LANDOWNERS, AND ALL PERSONS WHOMSOEVER CONCERNED:

You, and each of you, are hereby notified that Scout Energy Management, LLC ("Applicant") has filed an Application with the Corporation Commission of the State of Kansas ("Commission") requesting Dissolution of the Basic Integrated Proration Order for the Hugoton Gas Field and Panoma Council Grove Gas Field ("BIPO"), said order governing gas production from said fields in Kearney, Finney, Grant, Haskell, Morton, Stevens, Seward, Stanton, Gray, Hamilton and Wichita Counties, Kansas.

The dissolution of the BIPO will result in the fields being governed by the Kansas Corporation Commission's General Rules and Regulations.

If you desire more detailed information, the Application is on file with the Commission, and can also be accessed at the Commission's website, www.kcc.state.ks.us.

YOU are further notified that unless written protest is received by the State Corporation Commission within fifteen (15) days after publication of this Notice, the Application in this matter can be granted by administrative approval after said 15-day period. Any such protest should be mailed to the State Corporation Commission of the State of Kansas, Conservation Division, 266 North Main, Suite 220, Wichita, Kansas, 67202, and to the Applicant at the address shown.

All parties in any wise interested or concerned shall take notice of the foregoing and govern themselves accordingly.

Stanford J. Smith, Jr. #11353
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