

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Complaint of Atmos Energy)
Against Endeavor Energy Resources, L.P.)
Relating to the Stigmeir #23-1 Well Located in)
the SW/4 SW/4 SW4 of Section 23, Township 33)
South, Range 17 East, Labette County, Kansas.)

17-CONS-3509-CMSC
Docket No. ~~17-ATMG-_____COM~~
CONSERVATION DIVISION
Atmos Energy Corporation License No. 31769
Endeavor Resources, L.P. License No. 32887

**MOTION FOR ORDER TO TEST WELL
PURSUANT TO K.S.A. 55-1210(c)(2)**

COMES NOW Atmos Energy Corporation ("Atmos Energy"), by and through its attorney, James G. Flaherty, Anderson & Byrd, LLP, and files this Motion requesting the Commission to issue an order giving Atmos Energy the right to conduct such tests on Endeavor Energy Resources, L.P.'s ("Endeavor") Stigmeir #23-1 Well ("Well") as may be reasonable to determine whether gas being produced from the Well is gas injected by Atmos Energy into its Liberty North Underground Gas Storage Facility ("Underground Gas Storage Facility"). In support of its Motion, Atmos Energy states as follows:

I. STATEMENT OF FACTS IN SUPPORT OF MOTION

1. Atmos Energy is a corporation incorporated in the states of Texas and Virginia and is authorized to do business in the state of Kansas. The address of its principal place of business in Kansas is 25090 W. 110th Terr., Olathe, Kansas 66061. **Affidavit of Douglas L. Shatas, Atmos Energy, paragraph 4**, attached hereto as Exhibit A to this Motion and incorporated herein by reference.

2. Atmos Energy is a natural gas public utility as defined by K.S.A. 66-104. It provides natural gas public utility service to approximately 129,000 customers in Kansas pursuant to certificates of convenience and necessity issued by the Kansas Corporation Commission ("Commission") pursuant to K.S.A. 66-131. **Affidavit of Douglas L. Shatas, Atmos Energy, paragraph 5.**

3. In conjunction with its natural gas public utility business in Kansas, Atmos Energy owns and operates the Liberty North Underground Gas Storage Facility ("Underground Gas Storage Facility"). The Underground Storage Facility is located in Labette County and Montgomery County, Kansas. Atmos Energy's Underground Gas Storage Facility is subject to the Commission's rules and regulations relating to underground gas storage facilities. Atmos Energy stores gas in the Squirrel Sand underground formation, which is located between 420 feet and 470 feet below the surface. The West Half of Section 23, Township 33 South, Range 17 East, Labette County, Kansas is located within the current Underground Gas Storage Facility boundary approved by the Commission.

Affidavit of Douglas L. Shatas, Atmos Energy, paragraph 6.

4. Endeavor is a Texas limited partnership who's corporate address is 110 N. Marienfeld, Suite 200, Midland, Texas. Endeavor is authorized to do business in the state of Kansas. Endeavor's Kansas registered agent is The Corporation Company, Inc., 112 SW 7th Street, Suite 3C, Topeka, Kansas, 66603. **Affidavit of Douglas L. Shatas, Atmos Energy, paragraph 7.**

5. Endeavor is in the business of operating and producing oil and gas wells under a license issued by the Commission. **Affidavit of Douglas L. Shatas, Atmos Energy, paragraph 8.**

6. Endeavor owns and operates a well known as the Stigmeir #23-1 ("Well"). The Well is located in the SW/4 of the SW/4 of the SW/4 of Section 23, Township 33 South, Range 17 East, Labette County, Kansas. According to records on file with the Commission the Well is producing gas from the Squirrel Sand Formation at a depth below surface of 454-467 feet, which is the formation in which Atmos Energy is storing gas. Atmos Energy believes that Endeavor is producing injected gas owned by Atmos Energy from the Well. **Affidavit of Douglas L. Shatas, Atmos Energy, paragraph 9.**

7. In order to confirm whether the Well is producing injected gas owned by Atmos

Energy from the Well, Atmos Energy has requested on several occasions that Endeavor permit Atmos Energy to take gas samples of the gas at the wellhead of the Well and to run tests on those gas samples to determine whether the gas is injected gas or native gas. Endeavor has not responded to Atmos Energy's request to take such gas samples. **Affidavit of Douglas L. Shatas, Atmos Energy, paragraph 10.**

8. Atmos Energy is willing to notify Endeavor as to when Atmos Energy takes the gas samples and allow Endeavor to witness the taking of those gas samples. **Affidavit of Douglas L. Shatas, Atmos Energy, paragraph 11.**

II. LEGAL SUPPORT FOR MOTION

9. K.S.A. 55-1210(c)(2) specifically allows Atmos Energy, as the injector of gas into the Underground Gas Storage Facility, the right to conduct such tests on the gas produced from the Well "as may be reasonable to determine ownership of gas." The statute states, in pertinent part,

(2) the injector ... shall have the right to conduct such tests on any existing wells on adjoining property, at such injector's sole risk and expense, including, but not limited to, the value of any production of other than the injector's gas, as may be reasonable to determine ownership of such gas.

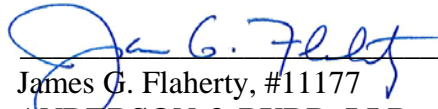
10. K.S.A. 55-1210(d) states that the injector shall have the right to compel compliance with the provisions contained in K.S.A. 55-1210 by either injunctions or other appropriate relief by application to a court of competent jurisdiction.

11. Since this Commission regulates both the underground storage of natural gas and Endeavor's production of gas from the Well, it has authority to grant Atmos Energy's request in this motion.

12. Atmos Energy is requesting an Order from the Commission allowing Atmos Energy to take samples of the gas at the wellhead of the Well in order to conduct such tests as may be reasonable to determine ownership of the gas produced from the Well.

13. Atmos Energy agrees to notify Endeavor in writing as to when the samples will be taken so that Endeavor can witness the taking of those samples. Pursuant to the statute, Atmos Energy agrees to take such samples at its sole risk and expense. Finally, Atmos Energy agrees to provide Endeavor copies of the tests conducted on the gas samples taken at the wellhead of the Well.

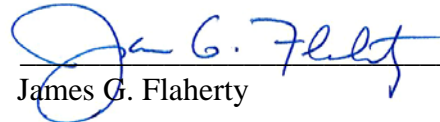
WHEREFORE, based upon the verified facts set forth herein as supported by Mr. Shatas' Affidavit, Atmos Energy requests that its motion for an order allowing it to take gas samples from the Well be granted.


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Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via U.S. Mail, postage prepaid, hand-delivery, or electronically, this 2nd day of March, 2017, addressed to:

Michael Short
General Counsel
Endeavor Energy Resources L.P.
110 N. Marienfeld Street
Midland, Texas 79701


James G. Flaherty

AFFIDAVIT OF DOUGLAS L. SHATAS

STATE OF KANSAS)
) ss:
COUNTY OF JOHNSON)

Douglas L. Shatas, of lawful age, being first duly sworn on oath, states:

1. I am employed by Atmos Energy ("Atmos") as the compliance manager for pipeline safety regulations for the State of Kansas. I have held that position with Atmos since 2001. I have worked for Atmos and its predecessors since 1992.
2. I hold a Bachelor of Science degree in Engineering from The University of Missouri, Columbia.
3. My job responsibilities for Atmos include compliance with the Kansas pipeline safety regulations that are enforced by the Kansas Corporation Commission ("Commission" or "KCC").
4. Atmos Energy is a corporation incorporated in the states of Texas and Virginia and is authorized to do business in the state of Kansas. The address of its principal place of business in Kansas is 25090 W. 110th Terr., Olathe, Kansas 66061.
5. Atmos Energy is a natural gas public utility as defined by K.S.A. 66-104. It provides natural gas public utility service to approximately 129,000 customers in Kansas pursuant to certificates of convenience and necessity issued by the KCC pursuant to K.S.A. 66-131.
6. In conjunction with its natural gas public utility business in Kansas, Atmos Energy owns and operates the Liberty North Underground Gas Storage Facility ("Underground Gas Storage Facility"). The Underground Storage Facility is located in Labette County and Montgomery County, Kansas. Atmos Energy's Underground Gas Storage Facility is subject to the KCC's rules and regulations relating to underground gas storage facilities. Atmos Energy stores gas in the Squirrel

Sand underground formation, which is located between 420 feet and 470 feet below the surface. The West Half of Section 23, Township 33 South, Range 17 East, Labette County, Kansas is located within the current Underground Gas Storage Facility boundary approved by the KCC.

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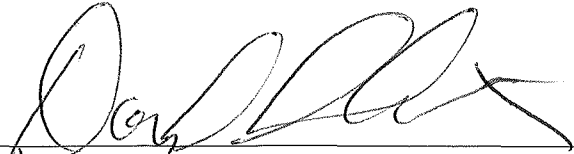
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10. In order to confirm whether the Well is producing injected gas owned by Atmos Energy from the Well, Atmos Energy has requested on several occasions that Endeavor permit Atmos Energy to take gas samples of the gas at the wellhead of the Well and to run tests on those gas samples to determine whether the gas is injected gas or native gas. Endeavor has not responded to Atmos Energy's request to take such gas samples.

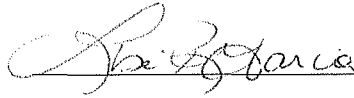
11. Atmos Energy is willing to notify Endeavor as to when Atmos Energy takes the gas samples and allow Endeavor to witness the taking of those gas samples.

Further affiant saith naught.



Douglas L. Shatas

SUBSCRIBED AND SWORN to before me this 7 day of MARCH, 2017.



Notary Public

Appointment/Commission Expires:

