

FEB 15 2018

CONSERVATION DIVISION
WICHITA, KS

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Jay Scott Emler, Chairman
Shari Feist Albrecht
Pat Apple

In the matter of the Application of Lotus)
Operating Co. LLC for an exception to the)
10-year time limitation of K.A.R. 82-3-111)
for its #1 Stelzer well located 1485' FWL)
and 1485' FSL of Section 7, Township 29)
South, Range 14 West, Pratt County, Kansas.)

18-CONS-3325-CEXC
Docket No. ~~16-CONS-CEXC~~

CONSERVATION DIVISION

License No.: 31980

APPLICATION

COMES NOW Lotus Operating Co. LLC ("Applicant") in support of its Application in the captioned matter and states as follows:

1. Applicant is an Oil and gas operator authorized to do business in the State of Kansas. Applicant's address is 100 S. Main, Ste 420, Wichita, Kansas, 67202.

2. Applicant has been issued by the Kansas Corporation Commission Operator's License 31980, which expires on November 30, 2018.

3. Applicant is the owner and operator of the #1 Stelzer well, 15-151-22277, which is located in the 1485 FWL and 1485' FSL of Section 7, Township 29 South, Range 14 West, Pratt County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands:

SW/4 of Section 7, Township 29 South, Range 14 West, Pratt County, Kansas, containing 160 acres, more or less ("leased premises").

4. Pursuant to K.A.R. 82-3-111, the well was shut in, or Applicant obtained temporary

abandonment status, for the subject well on May 18, 2009. The subject well has maintained such status from June 1, 2009, to the present date.

5. On or about January 23, 2018, the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after February 22, 2018, 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 February 12, 2018 the #1 Stelzer well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and 4500' which is approximately 50' above the uppermost perforations 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 of disposing of water if the current proposed well, the #2 Bergner, also in section 7-T29S-R14W, would be successful and produce water.

9. Applicant submits the following information regarding the well in support of the Application. If the above proposed well would be a producer, Lotus Operating Co., LLC will convert the #1 Stelzer to a SWDW for the operated wells around this lease or plug the #1 Stelzer within the 2-year time frame if the #2 Bergner should be non-commercial or a dry hole.

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.

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 two (2) years following the expiration of the 10-year limitation. Applicant understands that the exception would be valid for two (2) 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 two (2) years, subject to annual approval by the Conservation Division District Office of an application for temporary abandonment status.

Respectfully Submitted,

Lotus Operating Co., LLC
100 S. Main, Ste 420
Wichita, KS, 67202
316-262-1077
316-219-1217

By



Timothy D. Hellman

CERTIFICATE OF SERVICE

I hereby certify on this 14 day of February, 2018, 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 and each party set forth in Exhibit "A" attached to said Application filed by Applicant, and the original and seven (7) copies were hand delivered to the Kansas Corporation Commission.



Timothy D. Hellman

Exhibit A

7 – T29S – R14W

SW/4 – Lotus Operating Co LLC, 100 S. Main, Ste 420, Wichita, KS 67202

E/2 – Lotus Operating Co LLC, 100 S. Main, Ste 420, Wichita, KS 67202

NW/4 – Luntacres Farm, Inc. c/o Peoples Bank Trust Dept, 222 N. Main St., Pratt, KS 67124

18 – T29S – R14W

NW/4 - Lotus Operating Co LLC, 100 S. Main, Ste 420, Wichita, KS 67202

NE/4 – James M. Shriver, 721 West 4th St., Pratt, KS 67124

12 – T29S – R15W

E/2 - Shriver Elevator, Inc., Box 117, Coats, KS 67028

13 – T29S – R15W

NE/4 – Lotus Operating Co LLC, 100 S. Main, Ste 420, Wichita, KS 67202

