

Posted: September 14, 2010

Re: Temporary Abandonment, CP-111

Operators wishing to temporarily abandon a well for a period of ten years or less must submit an application (form CP-111). Once approved for temporary abandonment status, K.A.R. 82-3-111(b) limits how long a well may be temporarily abandoned to a period of ten years.

Operators are required to contact the Commission prior to the temporary abandonment expiration date to advise the Commission of the current status of each well.

- If the well remains temporarily abandoned operators must submit a new temporary abandonment application each year.
- If a well has been returned to service or plugged, please provide the Commission with the approximate date.
- If the operator has changed, a transfer of operator (T-1) form is required.

If the well has been temporarily abandoned for ten years, it is no longer eligible for temporary abandonment status. The well must either be plugged, returned to service, or the operator will need to submit an application for an exception to the ten-year limitation with the Commission.

The information provided in the application will aid the Kansas Corporation Commission in its decision regarding issuing an exception to the ten-year limit. The following is a sample application operators can use as a guide when submitting an application for an exception to the ten-year limit.

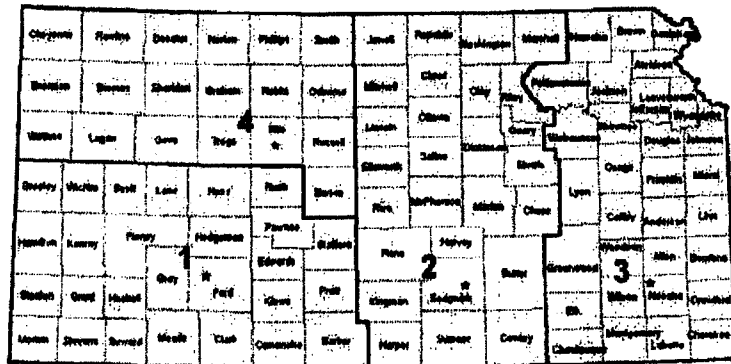
Operators are encouraged to contact the appropriate district office with any questions.

District Office No. 1
Dodge City, 620-225-8888

District Office No. 2
Wichita, 316-630-4000

District Office No. 3
Chanute, 620-432-2300

District Office No. 4
Hays, 785-625-0550



CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

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

Before Commissioners: Mark Sievers, Chairman
 Ward Loyd,
 Thomas E. Wright

In the matter of the Application of [Operator Name] for an exception to the 10-year time limitation of K.A.R. 82-3-111 for its [Well Name and Number] well located in the SW/4 of Section 31, Township 35 South, Range 43 West, Morton County, Kansas.) Docket No. 12-CONS-___-CEXC
) CONSERVATION DIVISION
) License No.: [License Number]

APPLICATION

COMES NOW [Operator Name] (“Applicant”) in support of its Application in the captioned matter and states as follows:

1. Applicant is a [Entity Type] authorized to do business in the State of Kansas. Applicant’s address is [Address, City, State, and Zip Code].

2. Applicant has been issued by the Kansas Corporation Commission Operator’s License [License Number], which expires on [Date].

3. Applicant is the owner and operator of the [Well Name and Number] well, [API Number] (“the subject well”), which is located in the [e.g., Southwest Quarter of the Southwest Quarter of the Southwest Quarter of Section 31, Township 35 South, Range 43 West, Morton County, Kansas.] The subject well is located on an active oil and gas lease or unit comprising the following lands:

[e.g., All of Section 31, Township 35 South, Range 43 West, Morton County, Kansas, containing 640 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 [Date]. The subject well has maintained such status from [Date], to the present date.

5. On or about [Date], the Kansas Corporation Commission notified Applicant temporary abandonment status for the subject well would be denied from and after [Date], 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 [Date], the subject well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within fifty (50) feet above the uppermost perforation or open hole 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: [Refer to the instructions, located at the end of this document].

9. Applicant submits the following information regarding the well in support of the Application. [Refer to the instructions, located at the end of this document.]

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 three (3) years following the expiration of the 10-year limitation.

Applicant understands that the exception would be valid for three (3) 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 three (3) years, subject to annual approval by the Conservation Division District Office of an application for temporary abandonment status.

Respectfully Submitted,

[Applicant Name]

[Applicant Address]

[Applicant Phone #]

[Applicant Fax #]

By Signature of Submitter

[Name of Submitter]

CERTIFICATE OF SERVICE

I hereby certify on this ____ day of _____, [Year], 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 14 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.

[Name of Signed]

INSTRUCTIONS

It is important to note the below instructions do not represent any rule. This information **merely represents Staff's suggestions** regarding the information that is necessary to evaluate an Application. All Applications must be granted or denied by the Commission.

General Instructions:

1. Fields to be completed by the Applicant are in brackets.
2. This form is a sample. Applications are not required to follow this format exactly; instead, this sample is being provided to provide assistance to Applicants.
3. All Applications are subject to review and approval by the Commission. The submission of an Application, without subsequent approval by the Commission, may not bring the Applicant into compliance with Kansas statutes or KCC regulations.
4. Insert the proper information into the caption at the top of the first page. A docket number should not be entered; the docket number will be assigned by KCC Staff when the application is filed.
5. Applicants may request a hearing at any time.

Instructions for Specific Paragraphs (the numbers in the below instructions correspond to the paragraph numbers in the sample Application):

1. Enter Applicant's entity type (e.g., individual, partnership, limited liability company, corporation), indicating the state of incorporation if applicable. Enter the Applicant's mailing address.
2. Enter Applicant's KCC operator license number and the date that the current license would expire without renewal.
3. Enter well name, API number, and location. Enter the legal description of the leased premises, indicating whether the lease or agreement is currently active.
4. Describe when the well originally obtained Temporary Abandonment ("TA") status or was shut in.
5. Describe when the Applicant was notified that the well was not eligible for TA status due to the 10-year rule.
6. No change from the sample Application is necessary.
7. State the date the well passed a mechanical integrity test. All wells seeking an exception from the 10-year rule must pass a Commission Staff-witnessed mechanical integrity test within one (1) year prior to the filing of the Application.
8. Describe the intended use for the well.
9. Please explain why the intended use for the well requires an extension of its TA status. At a minimum, include the following:
 - a. A breakdown of how many and what types of wells are on the lease;
 - b. An estimated cost to plug this well and the remaining wells on the lease;
 - c. A current production rate for the lease;
 - d. A basic estimation of remaining reserves and an explanation of the basis for estimation;
 - e. An explanation what has already been done and what will need to be done to use the well as stated in paragraph 8; and,

- f. An estimation of the cost to perform whatever actions are necessary using current prices.
- 10. Attach a legible plat map showing the locations of all producing, injection, temporarily abandoned, abandoned, and plugged wells on the lease drawn to a suggested scale of two (2) inches equals one (1) mile, and clearly indicating section, township, and range.
- 11. List the time period being requested. KCC Staff will not recommend the Commission grant an exception longer than three (3) years.
- 12. Refer to K.A.R. 82-3-135a for details. KCC regulations can be found at <http://kcc.ks.gov>.
- 13. Refer to K.A.R. 82-3-135a and 82-3-135 for details. KCC regulations can be found at <http://kcc.ks.gov>. Please note this requires publication in both the official county newspaper, for the county where lands affected by the Application are located, and *The Wichita Eagle*. Verification of publication in both newspapers must be provided to KCC Staff before the hearing or prior to the granting of the application without a hearing.

Please feel free to contact KCC Legal Staff at (316) 337-6200 with any questions or concerns regarding this Application. Although KCC Legal Staff can provide some guidance with this Application, you will need to contact a private attorney if you wish to be represented in this matter.