

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

Before Commissioners:                    Mark Sievers, Chairman  
   Thomas E. Wright  
   Shari Feist Albrecht

In the matter of the application of Indian Oil Co, Inc.,    ) Docket No. 13-CONS-436-CWLE  
for an order granting a well location exception for and    )  
assigning a full allowable at the appropriate time to    ) CONSERVATION DIVISION  
the applicant's Erica 1-8 well, located in the Southeast    )  
Quarter of the Northeast Quarter of the Southeast    ) License No. 31938  
Quarter of Section 8, Township 35 South, Range 12    )  
West, Barber County, Kansas.                                )

**ORDER**

The Commission grants the application of Indian Oil Co, Inc. ("the Operator"), for the following reasons.

**I. JURISDICTION**

1. Commission records indicate the Operator is currently licensed to conduct oil and gas activities in Kansas under K.S.A. 55-155.
2. The Operator filed an application on May 28, 2013, for a well location exception for its Erica 1-8 well (the "subject well").
3. The Commission thus has jurisdiction over the Operator and this matter.

**II. LEGAL STANDARD**

4. K.A.R. 82-3-108(a) provides that the setback requirement for oil and gas wells shall be 330 feet from any lease or unit boundary line, except as provided in subsection (b) or (c).
5. K.A.R. 82-3-108(b) provides that an oil well drilled to a total depth of less than 2,000 feet in any of the following counties in eastern Kansas shall be subject to a setback of 165 feet from any lease or unit boundary: Allen, Anderson, Atchison, Bourbon, Brown Cherokee, Coffey, Crawford, Douglas, Elk, Franklin, Greenwood, Jackson, Jefferson, Johnson, Labette,

Leavenworth, Linn, Lyon, Miami, Montgomery, Neosho, Osage, Shawnee, Wilson, Woodson, and Wyandotte. Further, wells drilled to a total depth of less than 2,500 feet in Chautauqua County are subject to the 165-foot setback.

6. K.A.R. 82-3-108(c) provides that the commission may grant an exception to the well setback requirements if necessary either to prevent waste or protect correlative rights.

7. K.A.R. 82-3-207 states that a standard oil well drilling unit shall be 10 acres.

8. K.A.R. 82-3-312 states that a standard gas well drilling unit shall be 10 acres.

### III. FINDINGS OF FACT

9. The Operator has verified that notice was properly served and published, as required under K.A.R. 82-3-108, at least 15 days before the issuance of this Order Granting Application.

10. No party filed a protest under K.A.R. 82-3-108(f).

11. The subject well will be located 1,636 feet from the South line and 500 feet from the East line of Section 8, Township 35 South, Range 12 West, Barber County, Kansas.

12. The subject well is located 325 feet from the nearest lease boundary.

13. The application states that the subject well is necessary to produce minerals from a structural high point in the ten acre location; however, because a survey indicates the 10 acre location is not the standard 660 foot sided square, the well will be five feet nearer to the southern lease boundary.

14. Ten acres surrounding the well will be attributed to the well for production allowable purposes.

#### IV. CONCLUSIONS OF LAW

15. The Operator filed the application in accordance with the rules and regulations of the Commission and Kansas statutes.
16. Notice was properly served and published.
17. An exception to the well setback under K.A.R. 82-3-108 should be granted to prevent waste and protect correlative rights, and the well should be assigned a full allowable.

**THEREFORE, THE COMMISSION ORDERS:**

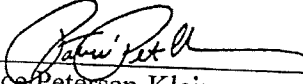
- A. The application for a well location exception for the subject well is granted, 10 acres immediately surrounding the well are attributed to the well, and a full allowable is assigned to the well.
- B. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order and must state the specific grounds upon which relief is requested. If service of this Order is by mail, three days will be added to the deadline. The petition shall be filed with the Executive Director of the Conservation Division, Finney State Office Building, 130 South Market, Room 2078, Wichita, KS 67202-3802.

C. The Commission retains jurisdiction of the subject matter and the parties and may enter additional orders as it deems appropriate.

**BY THE COMMISSION IT IS SO ORDERED.**

Sievers, Chmn.; Wright, Com.; Albrecht, Com.

Dated: JUN 13 2013

  
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Patrice Petersen-Klein  
Executive Director

Date Mailed: 6-13-2013

RAH

I CERTIFY THE ORIGINAL  
COPY IS ON FILE WITH  
The State Commission Commission

JUN 13 2013



CERTIFICATE OF SERVICE

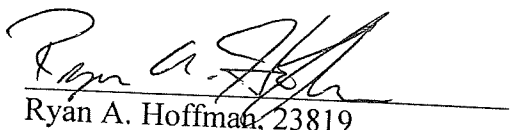
I hereby certify that on 6-13-2013, I caused a true and correct copy of the foregoing Order to be served by placing the same in the United States mail, postage prepaid, to the following parties:

Joscelyn Nittler  
Indian Oil Co., Inc.  
PO Box 209  
Medicine Lodge, Kansas 67104

Richard Lacey  
KCC District #1 Office  
210 E. Frontview, Suite A  
Dodge City, Kansas 67801

And by hand delivery to the following:

Jim Hemmen, Research Analyst  
Production Department, Central Office



Ryan A. Hoffman, 23819  
Litigation Counsel  
Kansas Corporation Commission  
Finney State Office Building, Room 2078  
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