Form CP-111 June 2011 Form must be Typed Form must be signed

All blanks must be complete

TEMPORARY ABANDONMENT WELL APPLICATION

| DPERATOR: License# | | | | API No. 15- | | | | | |
|------------------------------|----------------------|-----------------------|-----------|---|---------------------|--------------------|-------------|-----------------|--|
| | | | | Spot Description: | | | | | |
| Address 1: | | | | | Sec | Twp | _ S. R | DE W | |
| address 2: | | | | | | | = | | |
| City: | State: | Zip: + | | feet from E /W Line of Section | | | | | |
| Contact Person: | | GPS Location: Lat: | | | | | | | |
| Phone:() | | | | | | | | | |
| Contact Person Email: | | | | | | | | | |
| Field Contact Person: | | | | Well Type: (check one) Oil Gas OG WSW Other: ENHR Permit #: ENHR Permit #: Spud Date: Date Shut-In: | | | | | |
| Field Contact Person Phone | :() | | | | | | | | |
| | , | | | | | | | | |
| | | | | Opua Bato. | | Bato onat | | | |
| | Conductor | Surface | Pro | duction | Intermediate | Liner | | Tubing | |
| Size | | | | | | | | | |
| Setting Depth | | | | | | | | | |
| Amount of Cement | | | | | | | | | |
| Top of Cement | | | | | | | | | |
| Bottom of Cement | | | | | | | | | |
| Casing Fluid Level from Surf | | | | | | | | | |
| o you have a valid Oil & Ga | as Lease? Yes | No | | | | | | | |
| Pepth and Type: | | | Ca | sing Leaks: | Yes No Depth | of casing leak(s): | | | |
| ype Completion: ALT. | | | | | | | | | |
| Packer Type: | | | | | | | | | |
| otal Depth: | Plug Bac | k Depth: | ! | Plug Back Meth | od: | | | | |
| Geological Date: | | | | | | | | | |
| ormation Name | Formation 7 | Top Formation Base | | | Completion | Information | | | |
| · | At: | to Feet | Perfo | ration Interval | to Fe | et or Open Hole I | nterval | toFeet | |
| | At: | to Feet | Perfo | ration Interval | to Fe | et or Open Hole I | nterval | toFeet | |
| INDED DENALTY OF DED | IIIDV I LIEDEDV ATTE | ET TUAT TUE INICODMAT | 101 001 | NTAINED HER | EIN IS TOLIE AND CO | DDECTTO THE B | EST OF MV | NIOWI EDGE | |
| | | Submitte | ed Ele | ctronicall | у | | | | |
| Do NOT Write in This | Date Tested: | Res | sults: | | Date Plugged: | Date Repaired: | Date Put Ba | ack in Service: | |
| Space - KCC USE ONLY | | | | | | | | | |
| Review Completed by: | | | _ Comm | nents: | | | | | |
| TA Approved: Yes | Denied Date: | | | | | | | | |
| | | Mail to the Appro | opriate I | CC Conserv | vation Office: | | | | |

| | KCC District Office #1 - 210 E. Frontview, Suite A, Dodge City, KS 67801 | Phone 620.225.8888 | | |
|--|---|--------------------|--|--|
| | KCC District Office #2 / UPGS - 3450 N. Rock Road, Building 600, Suite 601, Wichita, KS 67226 | Phone 316.630.4000 | | |
| | KCC District Office #3 - 1500 SW Seventh Steet, Chanute, KS 66720 | Phone 620.432.2300 | | |
| | KCC District Office #4 - 2301 E. 13th Street, Hays, KS 67601-2651 | Phone 785.625.0550 | | |

KCC OIL/GAS REGULATORY OFFICES

| Date: <u>11/06/12</u> | District: _01 |
|--|---|
| | New Situation Lease Inspection |
| | Response to Request Complaint |
| | Follow- Up Field Report |
| • | <u> </u> |
| Operator License No: <u>5447</u> | API Well Number: <u>15-129-20619-00-00</u> |
| Op Name: OXY USA, Inc. | Spot: NE SW SE NE Sec 13 Twp 33 S Rng 43 E / W |
| Address 1: 5 E Greenway Plz | 3298 Feet from N/V S Line of Section |
| Address 2: PO BOX 27570 | 658 Feet from Feet from W Line of Section |
| City: Houston | GPS: Lat: <u>37.17966</u> Long: <u>101.93816</u> Date: <u>11/6/12</u> |
| State: <u>Texas</u> Zip Code: <u>77227 -7570</u> | Lease Name: Collingwood C Well #: 3 |
| Operator Phone #: (713) 215-7000 | County: Morton |
| Reason for Investigation: | |
| Company requested state witness for 10 year | r casing test |
| Problem: | |
| None | |
| | |
| Persons Contacted: | |
| None | |
| | |
| Findings: | |
| 1:00pm | |
| · · | rods in hole and a 4' sub of tubing in hole. Key Energy Services |
| pressured casing to 360# and held for 30 mir | |
| , | |
| | |
| | |
| , | |
| | |
| | |
| Action/Recommendations: Follow | w Up Required Yes No 🖸 Date: |
| Given to TA program for apporval | |
| Chante Webegram of appearan | |
| · | · |
| · | |
| [/ / / / / / / / / / / / / / / / / / / | approved 1/14/13 M |
| Verification Sources: | / Dhotos Taken: 0 |
| ✓ RBDMS KGS | TA Program |
| | Courthouse By: |
| ✓ Other: on-site witness | Kenny Sullivan |
| Retain 1 Copy District Office | |
| Return 1 Copy District Office | |

Send 1 Copy to Conservation Division

Form:

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 OXY USA) Inc., for an exception to the 10-year time limitation of K.A.R. 82-3-111 for the Harman) B-1 well, and the Collingwood C-3 well, both () the made up at Commission State (Section 1). located in the East half of Section 13,) Township 33 South, Range 43 West, Morton) County, Kansas. are using reductor) color water and officier top, or any

Docket No. 13-CONS-131-CEXC

CONSERVATION DIVISION

License No. 5447

tites abelied the range wells ORDER the production currently beland tipes the

COMES NOW, the State Corporation Commission of the State of Kansas ("Commission" or "KCC") on the application of OXY USA Inc. ("OXY" or "operator"), for an Order approving the extension of temporary abandonment ("TA") status for the above-captioned wells. The Commission, being fully advised in the premises and giving due consideration to the record herein, makes the following findings and conclusions:

- 1. OXY is a foreign corporation authorized to do business in Kansas. KCC records indicate the operator is currently licensed to conduct oil and gas activities in Kansas pursuant to K.S.A. 55-155.
- On November 9, 2012, the application in this docket was filed pursuant to the rules and regulations of the State Corporation Commission and the Kansas Statutes, thus fulfilling all regulatory and statutory requirements. It was the second such application for each of the wells in this docket, as each had been granted a three year exception to the 10-year TA status limitation after hearing before the Commission in Docket No. 10-CONS-055-CEXC.
- 3. Notice was proper in every respect and was published at least fifteen (15) days prior to the hearing for this application in The Wichita Eagle newspaper and The Elkhart Tri-State

News newspaper, providing notice that a hearing would be held to determine the matter in this docket; there were no protests.

- 4. According to K.A.R. 82-3-111, wells shall not be eligible for TA status if the well has been shut-in for ten (10) or more years without an application for an exception pursuant to K.A.R. 82-3-100 and approval by the Commission.
- 5. On December 27, 2012, a Committee made up of Commission Staff ("Staff") reviewed OXY's application. The application states the Harman B-1 and Collingwood C-3 wells in Morton County, Kansas are being held for a pilot waterflood project. Additionally, the operator states each of the subject wells has potential production currently behind pipe. The subject wells have passed a Commission Staff-witnessed mechanical integrity test. Staff recommends the Commission grant the operator's application for an exception to the 10-year TA status limitation of K.A.R. 82-3-111.
- 6. Based on the foregoing, the Commission finds that an exception to the 10-year TA status restrictions under K.A.R. 82-3-111 should be granted for the above-captioned wells because they have potential future uses and do not present a threat to fresh and usable water.
- 7. The application should be granted in accordance with the above findings for three (3) years without the need to file further applications for exceptions, but still subject to the yearly filing requirements according to the provisions of K.A.R. 82-3-111.

IT IS, THEREFORE, BY THE COMMISSION ORDERED: That the application of OXY USA Inc. for an exception to the 10-year limitation for temporary abandonment ("TA") status for the above-captioned wells is granted for three (3) years without filing further applications for extensions in accordance with the provisions of K.A.R. 82-3-111. The

Commission further orders that OXY USA Inc. must continue to file a yearly TA application for

the above-captioned wells pursuant to the provisions of K.A.R. 82-3-111.

Any party affected by this Order may file with the Commission a petition for

reconsideration pursuant to K.S.A. 77-529(a). Such petition shall be filed within fifteen (15)

days after service of this Order and must state the specific grounds upon which relief is

requested. This petition for reconsideration shall be filed with the Executive Director of the

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita,

Kansas 67202-3802.

The Commission retains jurisdiction of the subject matter and the parties for the purpose

of entering such further Order or Orders as from time-to-time it may deem proper.

BY THE COMMISSION IT IS SO ORDERED.

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

Date: JAN 1 4 2013

Patrice Petersen-Klein Executive Director

Date Mailed: 1-15-2013

RAH

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

JAN 1 4 2013

3

CERTIFICATE OF SERVICE

I hereby certify that on 1-15-2013, 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:

Brent Sonnier OXY USA, Inc. 5 Greenway Plaza, Suite 110 PO Box 27570 Houston, Texas 77227-7570

Stanford J. Smith, Jr.
Martin, Pringle, Oliver, Wallace, & Bauer, L.L.P.
100 North Broadway, Suite 500
Wichita, Kansas 67202
Attorney for OXY USA, Inc.

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

Ryan A. Hoffman Litigation Counsel

Kansas Corporation Commission