KANSAS CORPORATION COMMISSION 1200054

Form CP-111 June 2011 Form must be Typed Form must be signed All blanks must be complete

TEMPORARY ABANDONMENT WELL APPLICATION

OPERATOR: License# Name: Address 1: Address 2:					API No. 15- Spot Description:						
City:	State:	Zip:	+		GPS Location: Lat:, Long:, Long:, Datum: NAD27 NAD83 WGS84						
Contact Person:		-									
Phone:()					County: Elevation: GL KB						
					Lease Name: Well #:						
Field Contact Person:					Well Type: (check one) Oil Gas OG WSW Other: SWD Permit #: ENHR Permit #:						
Field Contact Person Phon	e:()										
	· · · ·					rage Permit #		_ Date Shut-I	n:		
	Conductor	Surface	<u>م</u>	Proc	duction	Interme	diate	Liner		Tubin	a
Size		Cunao	<u> </u>	1100				Linor		Tubin	9
Setting Depth											
Amount of Cement											
Top of Cement											
Bottom of Cement											
Casing Fluid Level from Su	rface:		How Deter	mined?					Date	ż.	
Casing Squeeze(s):											
Do you have a valid Oil & G	Gas Lease? 🗌 Yes 🛛	No									
Depth and Type: 🗌 Junk	in Hole at	Tools in Hole	at	Cas	ing Leaks:	Yes 🗌 No	Depth of ca	asing leak(s):			
Type Completion:	.I ALT. II Depth	of: DV Tool:	(depth)	w/	sacks	of cement	Port Collar		_ w /	sack	of cement
Packer Type:								(depth)			
Total Depth:	Plug Back Depth:			P	_ Plug Back Method:						
Geological Date:											
Formation Name	Formation Top Formation Base				Completion Information						
1	At:	to	Feet	Perfor	ation Interval _	to	Feet or	Open Hole I	nterval_	to	Feet
2	At:	to	Feet	Perfora	ation Interval -	to	Feet o	Open Hole I	nterval _	to	Feet

Submitted Electronically

<i>Do NOT Write in This Space -</i> KCC USE ONLY	Date Tested:	Results:	Date Plugged:	Date Repaired:	Date Put Back in Service:
Review Completed by:		Comments:			
TA Approved: Yes	Denied Date:				

Mail to the Appropriate KCC Conservation Office:

No. No. <th>KCC District Office #1 - 210 E. Frontview, Suite A, Dodge City, KS 67801</th> <th colspan="2">Phone 620.225.8888</th>	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 C	DIL/GAS REGU	LATORY OFF	FICES
Date: 10.3/-13	District:	1	Case #:
	4 New S	Situation	Lease Inspection
	, Respo	onse to Request	Complaint
	Follow	v-Up	Pield Report
Operator License No: 5441	API Well N	umber: <u>15-0</u>	81-21477-0000
Op Name: <u>Oxy USA Inc</u> Address 1: <u>P.O. Box '27570</u>	Spot: <u>J.</u>	<u>NNENE</u> Sec	<u>3/</u> Twp <u>27</u> S Rng <u>33</u> E / X W
Address 1: P.O. Box 29570		4358	Feet from N/LS Line of Section
Address 2:		967	Feet from ZE7/W Line of Section
City: Houston	GPS: Lat: _	<u>37,66/45</u> Long	g: 100,96535 Date:
State:Zip Code: <u>17227-</u>	Lease Name	: <u>BRU</u>	Well #: <u>403</u>
Operator Phone #: <u>7/3 2/5 - 7000</u>	County:	Aoske II	
Reason for Investigation:			
Witness cag pressure test Operator paps to file for an	l n extension to t	he 10 war TA	renter
Problem:			
Persons Contacted:	······		
Findings:			
Szca wy 5/2 swage ?			
Chaosland loaded and	pressared th	re lbg to 3	90 psr.
Chaosland loaded and Hos held pressure	for over 1 u	veek.	
		· .	
Action/Recommendations:	Follow Up Required	Yes No	2 Date:
Cosing pressure tes	F is satisfa	ctory	
Verification Sources:			Photos Taken:
		1.2	
RBDMS KGS	TA Program	By: Ke	nehlk
T-I Database District Files	Courthouse	v - <u></u> -	· · · · · · · · · · · · · · · · · · ·
Other:			······································
Retain 1 Copy District Office Send 1 Copy to Conservation Division			
		•	Form:

RM

2014.04.03 09:29:52 Kansas Corporation Commission /S/ Kim Christiansen

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:	Shari Feist Albrecht, Chair
	Thomas E. Wright
	Jay Scott Emler

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 BCU 403 well in Section 31, Township 27 South, Range 33 West, Haskell County, Kansas. Docket No. 14-CONS-330-CEXC CONSERVATION DIVISION License No. 5447

ORDER GRANTING APPLICATION

)

)

)

)

)

The above captioned matter comes before the State Corporation Commission of the State of Kansas for consideration and determination. Having examined its files and records, and being duly advised in the premises, the Commission makes the following findings:

I. JURISDICTION

1. K.S.A. 74-623 provides that the Commission has the exclusive jurisdiction and

authority to regulate oil and gas activities.

- 2. K.S.A. 55-155 provides licensing authority to the Commission.
- 3. K.A.R. 82-3-100 provides that the Commission may grant an exception to any

regulation after application and notice.

4. K.A.R. 82-3-111 requires wells that are inactive for more than 90 days to be

plugged or approved for temporary abandonment ("TA") status. The regulations provides that wells having been shut-in for more than 10 years shall not be approved TA status without Commission approval of an application for an exception pursuant to K.A.R. 82-3-100.

II. FINDINGS OF FACT

5. Commission records indicate the operator is currently licensed to conduct oil and gas activities in Kansas under K.S.A. 55-155.

6. The above-captioned operator filed an application requesting an exception to the 10-year limit on TA status for the subject well.

7. The operator has verified that notice was properly served and published, as required under K.A.R. 82-3-135a, at least 15 days before the issuance of this Order.

8. No protests under K.A.R. 82-3-135b were filed.

9. The operator successfully tested the subject well for mechanical integrity.

10. Commission Staff met internally and reviewed the application. Staff determined that the application and the mechanical integrity test were sufficient to support the administrative grant of this application. Accordingly, Staff has proposed to the Commission this Order granting the application without the need for a hearing.

III. CONCLUSIONS OF LAW

11. The Commission has jurisdiction over the operator and this matter.

12. The application was filed in accordance with the rules and regulations of the Commission and Kansas statutes.

13. Notice was properly served and published.

14. Based on the available facts, the Commission finds that the application should be granted to prevent waste and protect correlative rights, because the subject well has a potential future use and does not present a threat to fresh and usable water.

2

THEREFORE, THE COMMISSION ORDERS:

A. The application for an exception to the 10-year limit on TA status for the subject well is granted for three years.

B. The operator must file annual TA forms for the subject well. The first TA form shall be filed within 30 days.

C. This Order is a summary proceeding pursuant to K.S.A. 77-537, which provides in paragraph (b)(4) that summary proceedings are not effective until the time for requesting a hearing has expired. K.S.A. 77-542 provides that a request for hearing shall be filed within 15 days of any agency notice resulting in a right to request a hearing. If service of this Order is by mail, three days are added to the deadline. Any party taking an action permitted by this summary proceeding before the deadline for requesting a hearing has expired shall be deemed to have waived their right to a hearing pursuant to K.S.A. 77-504.

D. 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. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 130 South Market, Room 2078, Wichita, Kansas 67202-3802. Pursuant to K.S.A. 55-606, K.S.A. 66-118b, and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action permitted by this summary proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

3

E. 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.

Albrecht, Chair; Wright, Com.; Emler, Com.

Date: APR 0 1 2014

Kim Christiansen Executive Director

Date Mailed: 4 - 2 - 2014

LRP

COPY IS ON FILE WITH The State Corporation Constitution APR 0 1 2014.

10_

CERTIFICATE OF SERVICE

I certify that on 4 - 2 - 2014

_____, I caused a complete and

accurate copy of this Order to be served via United States mail, with the postage prepaid

and properly addressed to the following:

Stanford J. Smith, Jr. Martin Pringle Oliver Wallace & Bauer LLP 100 N Broadway, Ste. 500 Wichita, Kansas 67202 *Attorneys for Applicant*

OXY USA Inc. 5 Greenway Plaza, Ste. 110 Houston, TX 77046

<u>/s/ Lane R. Palmateer</u> Lane R. Palmateer Litigation Counsel Kansas Corporation Commission Conservation Division District Office No. 1 210 E. Frontview, Suite A Dodge City, KS 67801



Phone: 620-225-8888 Fax: 620-225-8885 http://kcc.ks.gov/

Shari Feist Albrecht, Chair Jay Scott Emler, Commissioner Pat Apple, Commissioner Sam Brownback, Governor

April 17, 2014

Janna Burton OXY USA Inc. 5 E GREENWAY PLZ PO BOX 27570 HOUSTON, TX 77227-7570

Re: Temporary Abandonment API 15-081-21477-00-00 BRANSTETTER CHESTER UNIT 403 NE/4 Sec.31-27S-33W Haskell County, Kansas

Dear Janna Burton:

Your temporary abandonment (TA) application for the well listed above has been approved. In accordance with K.A.R. 82-3-111 the TA status of this well will expire 04/01/2015.

Your exception application expires on 04/01/2017.

* If you return this well to service or plug it, please notify the District Office.

* If you sell this well you are required to file a Transfer of Operator form, T-1.

* If the well will remain temporarily abandoned, you must submit a new TA application, CP-111, before 04/01/2015.

You may contact me at the number above if you have questions.

Very truly yours,

Michele Pennington