

For KCC Use:

Effective Date: _____

District # _____

SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1

March 2010

Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: _____
month day year

OPERATOR: License# _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: _____

CONTRACTOR: License# _____

Name: _____

Well Drilled For:

Well Class:

Type Equipment:

- | | | | |
|---|-----------------------------------|------------------------------------|-------------------------------------|
| <input type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input type="checkbox"/> Infield | <input type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Pool Ext. | <input type="checkbox"/> Air Rotary |
| | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Seismic ; _____ # of Holes | <input type="checkbox"/> Other | | |
| <input type="checkbox"/> Other: _____ | | | |

If OWWO: old well information as follows:

Operator: _____

Well Name: _____

Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Spot Description: _____

_____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
(Q/Q/Q/Q) _____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: _____

Lease Name: _____ Well #: _____

Field Name: _____

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): _____

Nearest Lease or unit boundary line (in footage): _____

Ground Surface Elevation: _____ feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: _____

Depth to bottom of usable water: _____

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: _____

Length of Conductor Pipe (if any): _____

Projected Total Depth: _____

Formation at Total Depth: _____

Water Source for Drilling Operations:

Well Farm Pond Other: _____

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

Submitted Electronically

For KCC Use ONLY

API # 15 - _____

Conductor pipe required _____ feet

Minimum surface pipe required _____ feet per ALT. I II

Approved by: _____

This authorization expires: _____
(This authorization void if drilling not started within 12 months of approval date.)

Spud date: _____ Agent: _____

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: _____
Signature of Operator or Agent:

E
 W

For KCC Use ONLY

API # 15 - _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

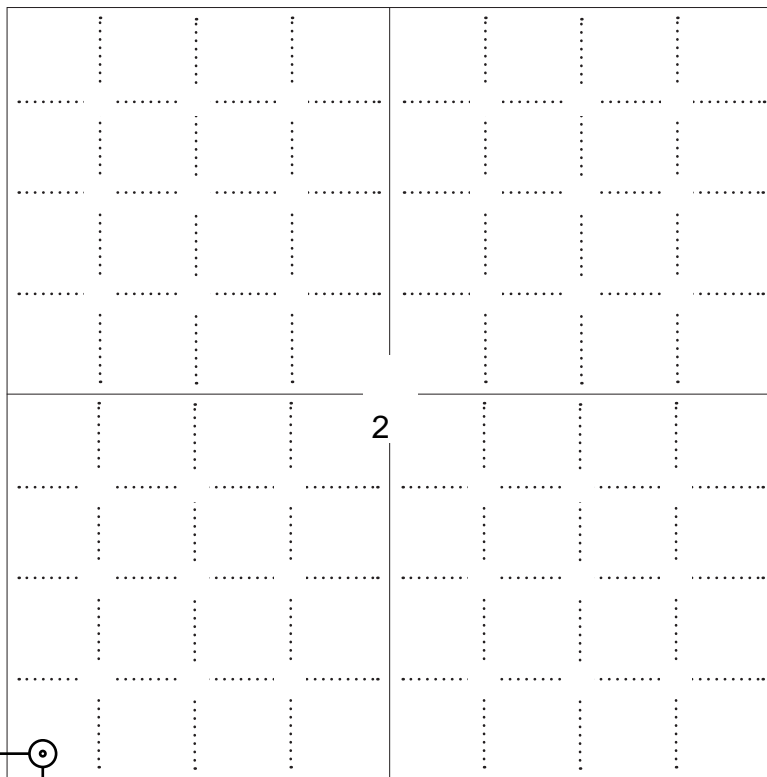
Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



NOTE: In all cases locate the spot of the proposed drilling locaton.

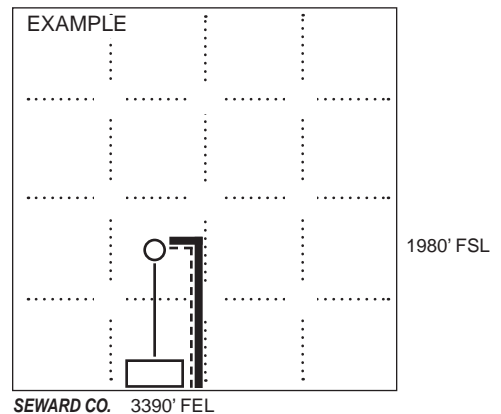
180 ft.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- - - - Electric Line Location
- Lease Road Location



**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____-_____-_____-_____ Sec. _____ Twp. _____ R. _____ <input type="checkbox"/> East <input type="checkbox"/> West _____ Feet from <input type="checkbox"/> North / <input type="checkbox"/> South Line of Section _____ Feet from <input type="checkbox"/> East / <input type="checkbox"/> West Line of Section _____ County	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?			
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY			
		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS	
Date Received: _____	Permit Number: _____	Permit Date: _____	Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1

July 2021

Form Must Be Typed

Form must be Signed

All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: (_____) _____ Fax: (_____) _____

Email Address: _____

Well Location:

____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West

County: _____

Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (see Chapter 55 of the Kansas Statutes Annotated), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I Submitted Electronically

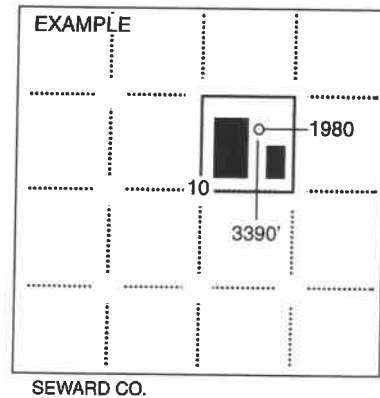
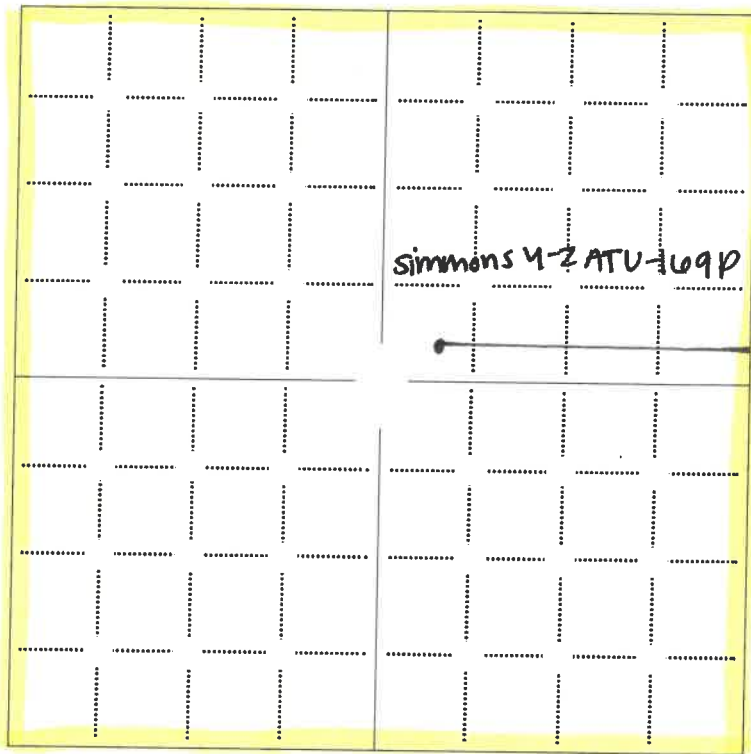
I

PLAT & CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

API Number: _____
Operator: Scout Energy Management LLC
Lease: Simmons
Well Number: 4-2 ATU-169P
Field: Hugoton-Panoma
Number of acres contained in unit: 640
Q/Q/Q/Q of Acreage: SW - SW - SW - SW

Location of well: County Stevens
180 feet from South / North line of section
242 feet from East / West line of section
2 Sec. 31 Twp. 39 R. East West
Is section: Regular Irregular
If section is Irregular, locate well from the nearest corner boundary:
Section corner used: NE NW SE SW

(Show the location of the well and shade attributable acreage for prorated or spaced wells.) (Show the footage to the nearest lease or unit boundary line; and show footage to the nearest common source supply well.)

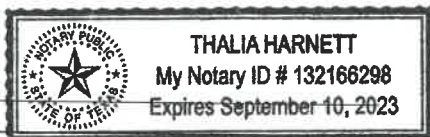


The undersigned hereby certifies as Senior Regulatory Analyst (Title) for Scout Energy Management LLC (Co.), a duly authorized agent, that all information shown hereon

is true and correct to the best of my knowledge and belief, that all acreage claimed attributable to the well identified herein is held by production from that well and does hereby make application for an allowable to be assigned to the well upon filing of this form and the State test, whichever is received last.

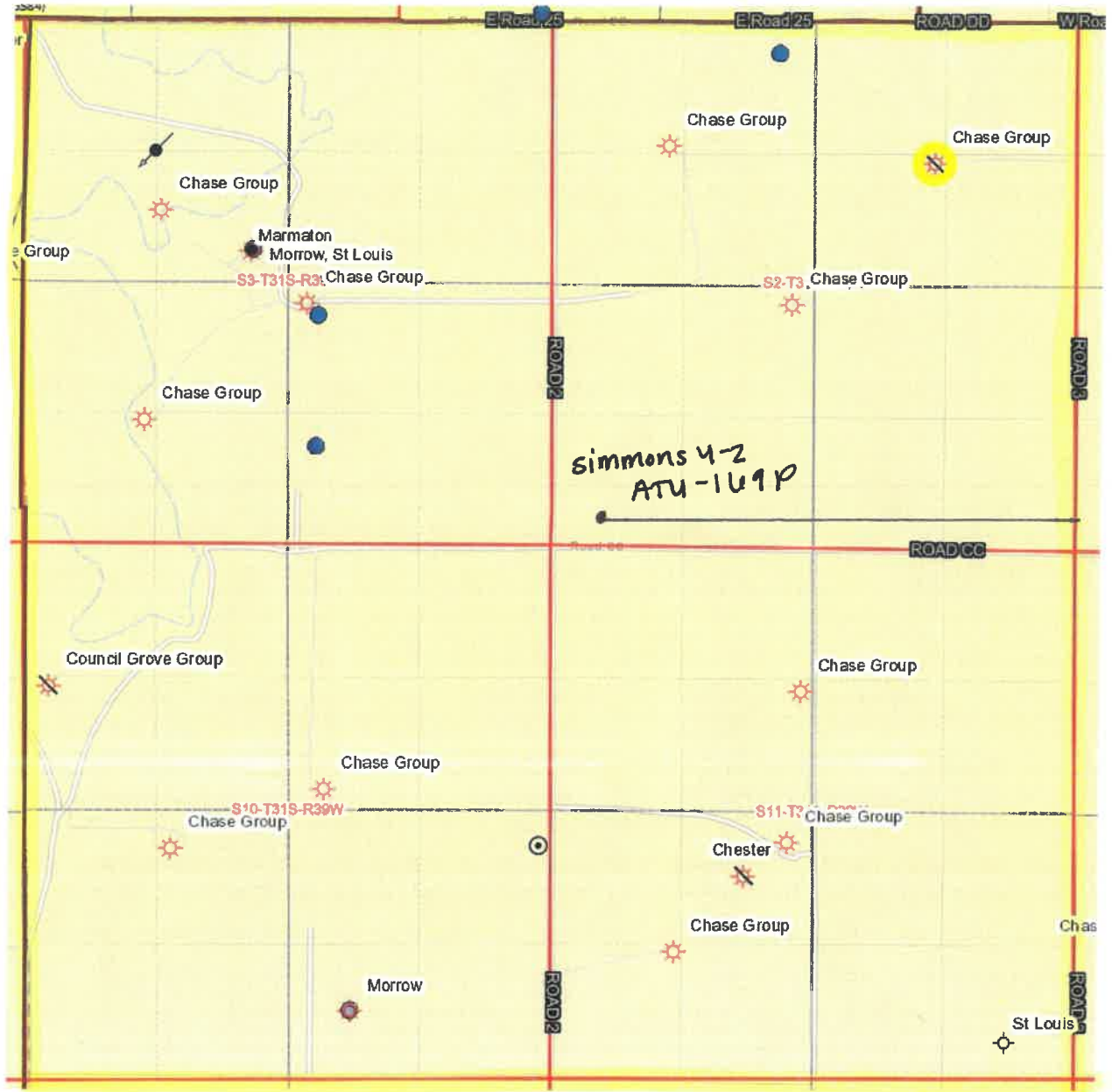
Signature: [Handwritten Signature]

Subscribed and sworn to before me on 23 this day of June, 2022



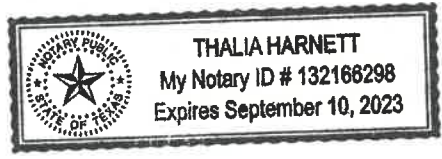
[Handwritten Signature]
Notary Public

My Commission expires: _____



Sharon Jgn

Thalia Harnett



Simmons 4-2 ATU-169P

640 acres attributed to well

2398' to nearest unit boundary line

3000' to nearest Chase well

3200' to nearest Council Grove well

SCOUT ENERGY MANAGEMENT, LLC. SIMMONS 4-2 ATU-169P
180' FSL
242' FWL
SW/4 OF SW/4 OF SW/4 OF
SECTION 2, T-31-S, R-39-W, STEVENS CO., KS.
LATITUDE: 37° 22' 27.83990" N
LONGITUDE: 101° 32' 13.53852" W
GROUND ELEVATION: 3180.9'



DRAWN BY: GTC
APPROVED BY: JOK
SCALE: 1" = 200'
DATE: 6/13/22

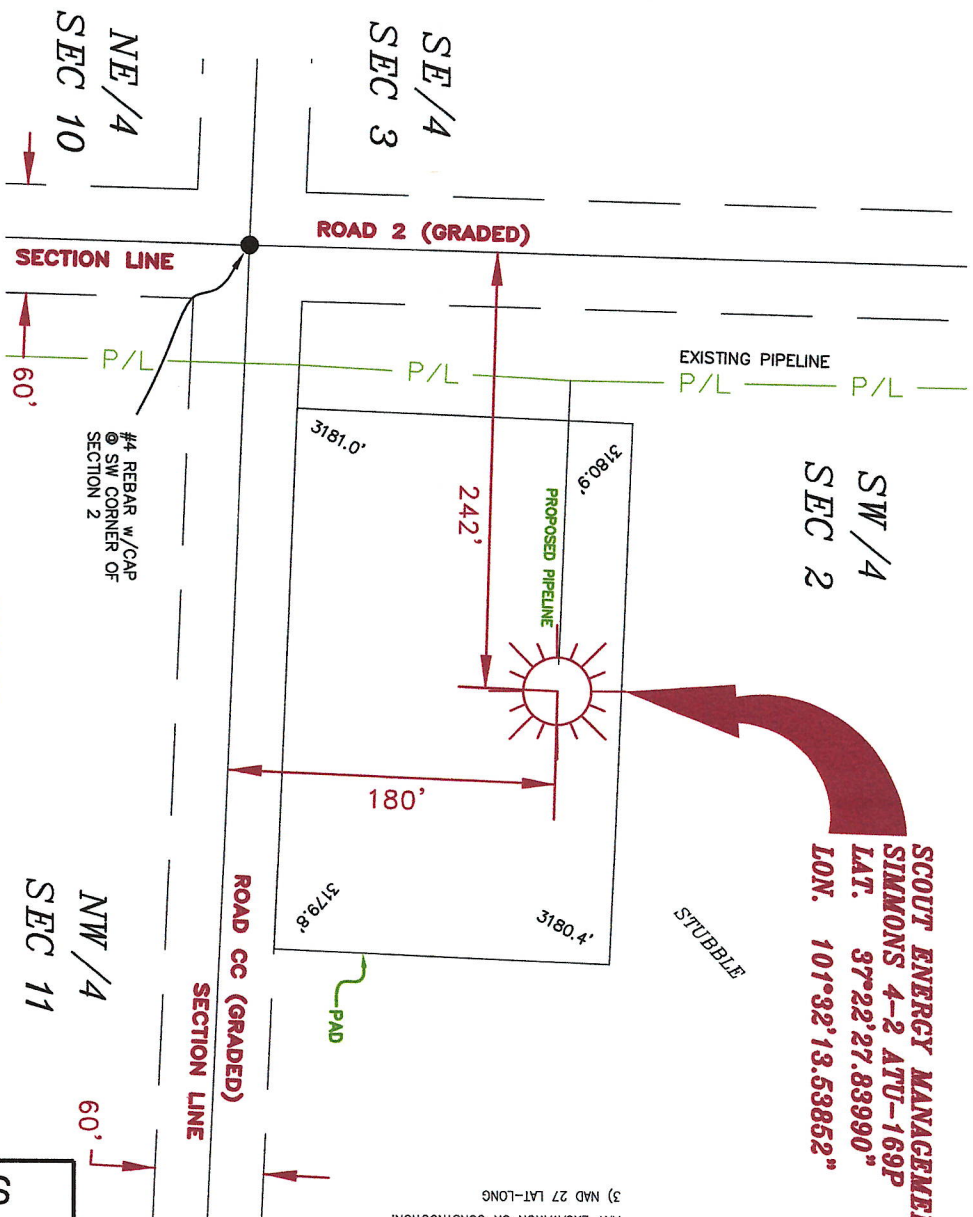
13800 Montfort Drive Suite 100
Dallas TX 75240
Mdn: (972)277-1397

DRIVING DIRECTIONS:

- BEGINNING AT INTERSECTION OF STATE HIGHWAY 25 & COUNTY ROAD DD
- 1) 11 MILES WEST ON COUNTY ROAD DD
 - 2) 1 MILE SOUTH ON ROAD 2
 - 3) WELL NE @ INTERSECTION ROAD 2 AND ROAD CC

SW/4
SEC 2

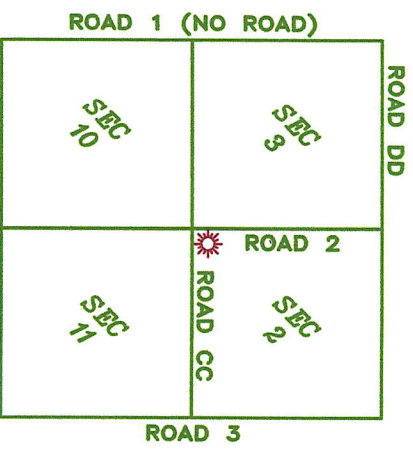
SCOUT ENERGY MANAGEMENT, LLC.
SIMMONS 4-2 ATU-169P
LAT. 37°22'27.83990"
LONG. 101°32'13.53852"



NOTES:
1) THIS PLAT DOES NOT REPRESENT A TRUE BOUNDARY SURVEY. THE FOOTAGES AND TIES SHOWN ARE FROM LINES OF OCCUPATION WHICH MAY NOT BE ACTUAL PROPERTY LINES.
2) CONTRACTOR TO CONTACT ONE-CALL FOR FOREIGN UTILITY LOCATIONS PRIOR TO ANY EXCAVATION OR CONSTRUCTION.
3) NAD 27 LAT-LONG

JOHN DAVID KELLER
LICENSED SURVEYOR
KANSAS
STATE NO. 1518
1518
SURVEYOR
1518

JOHN DAVID KELLER, L.S. NO. 1518



T-31-S, R-39-W
STEVENS COUNTY, KANSAS

Sheet 1 of 2

SCOUT ENERGY MANAGEMENT, LLC
SIMMONS 4-2, ATU-169P
SEC. 2, 3, 10, & 11,
T-31-S, R-39-W,
STEVENS COUNTY, KANSAS

SCOUT ENERGY MANAGEMENT, LLC. SIMMONS 4-2 ATU-169P
 180' FSL
 242' FWL
 SW/4 OF SW/4 OF SW/4 OF
 SECTION 2, T-31-S, R-39-W, STEVENS CO., KS.
 LATITUDE: 37° 22' 27.83990" N
 LONGITUDE: 101° 32' 13.53852" W
 GROUND ELEVATION: 3180.9'



Engineering & Design

DRAWN BY: CTC

APPROVED BY: JOK

SCALE: 1" = 200'

DATE: 6/13/22



13800 Montfort Drive Suite 100
 Dallas TX 75240
 Mobile: (972)277-1397

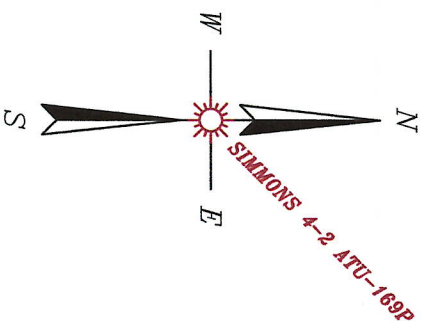
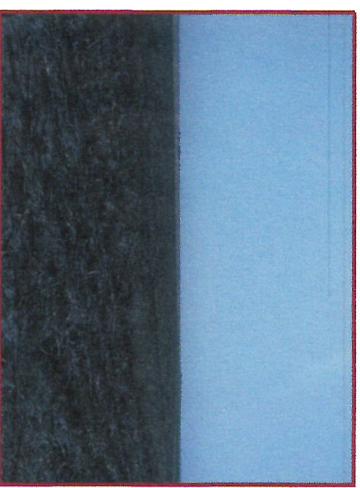
LOOKING NORTH



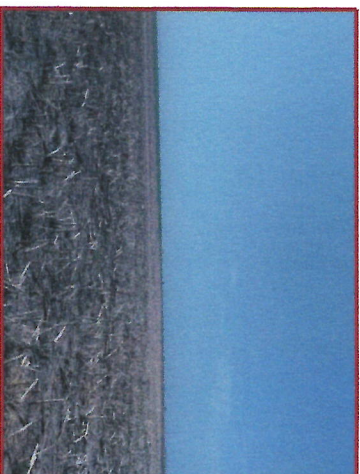
LOOKING WEST



LOOKING EAST

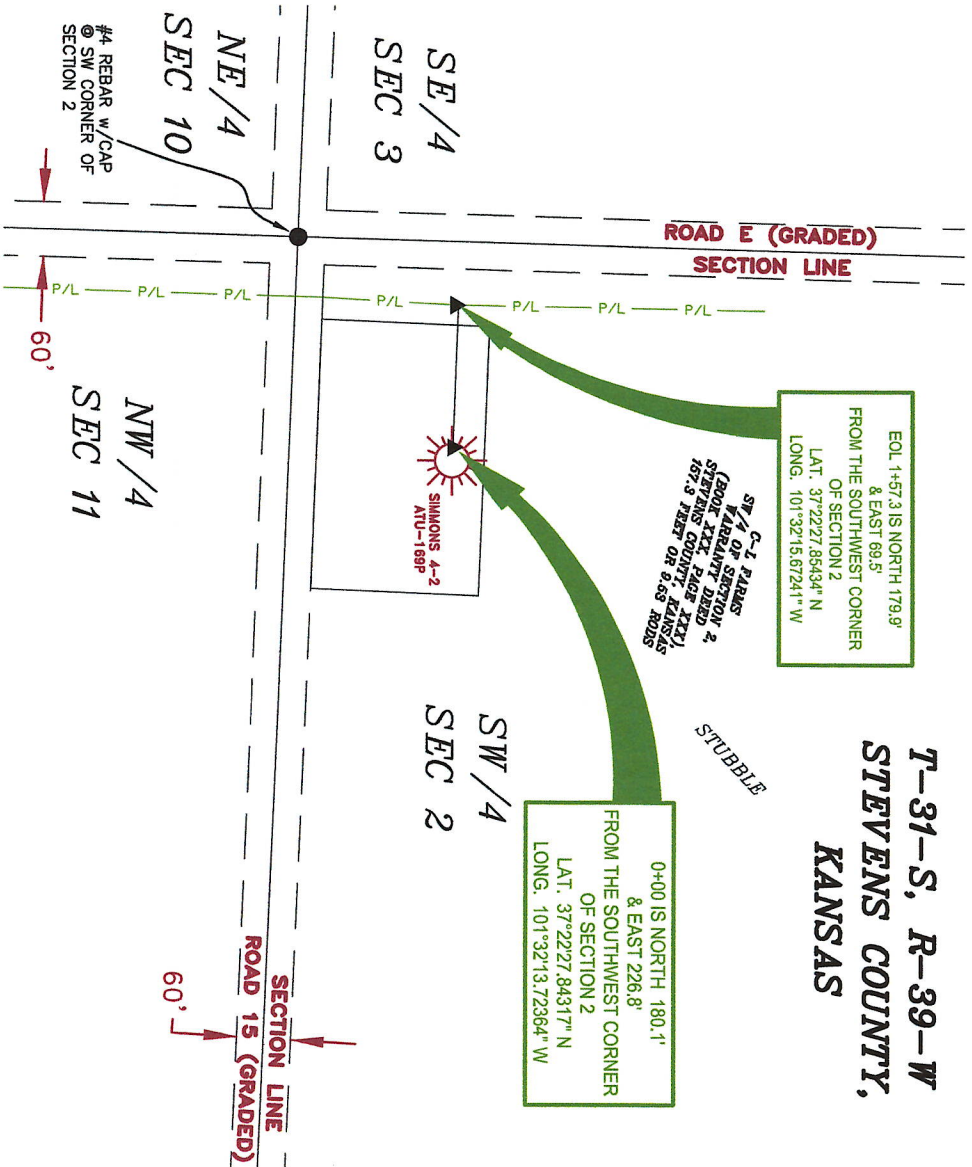


LOOKING SOUTH



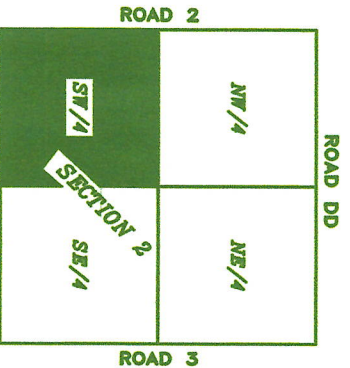
SCOUT ENERGY MANAGEMENT, LLC
SIMMONS 4-2, ATU-169P
 SEC. 2, 3, 10, & 11,
 T-31-S, R-39-W,
 STEVENS COUNTY, KANSAS

SCALE: 1"=200'



**T-31-S, R-39-W
 STEVENS COUNTY,
 KANSAS**

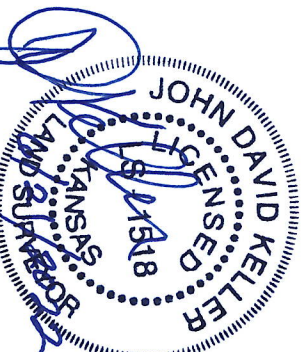
STATION	OFFSET	DESCRIPTION
0+00.0		SIMMONS 4-2 ATU-169P IS 15' EAST
1+57.3	XING	EOL @ EXISTING PIPELINE



NOTE: CONTRACTOR TO CONTACT KANSAS ONE CALL PRIOR TO ANY EXCAVATION OF CONSTRUCTION. NAD 87 LAT-LONG

**T-31-S, R-39-W
 STEVENS COUNTY, KANSAS**

JOHN DAVID KELLER, L.S. NO. 1518



**PROPOSED PIPELINE IN SECTION 2
 T-31-S, R-39-W, STEVENS COUNTY, KANSAS**



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

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

In the Matter of the Application of Linn Operating, Inc.) Docket No. 16-CONS-128-CUNI
for an order providing for the unitization and unit)
operation of a part of the Hugoton and Panoma Council) CONSERVATION DIVISION
Grove Gas Fields in the Alternate Tract Unit described)
as Section 03-31S-39W - SE/4, Section 02-31S-39W -) License No. 33999
SW/4, Section 11-31S-39W - NW/4, Section 10-31S-)
39W - NE/4, Stevens County, Kansas (ATU 169P))

ORDER GRANTING APPLICATION

The Commission grants the application of Linn Operating, Inc. (“the Operator”), creating this Alternate Tract Unit (“ATU”) 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 July 22, 2015, requesting unitization of an ATU pursuant to the Basic Integrated Proration Order for the Hugoton Gas Field and the Panoma Council Grove Gas Field, Dockets C-164 and 60,024-C (C-7,058) (the “BIPO”), and pursuant to the Kansas unitization statutes found in K.S.A. 55-1301 through K.S.A. 55-1317.
3. The Commission thus has jurisdiction over the Operator and this matter.

II. LEGAL STANDARD

4. Paragraph I.1 of the BIPO provides that it shall be lawful for diverse owners of land or minerals, including the Operator or owner of a well, to create production units incorporating the diverse holdings and apportion the production by agreement.

5. The BIPO, Paragraph I.2, authorizes the creation of ATU's, referencing the unitization proceedings under K.S.A. 55-1301 et seq. ATU's shall consist of approximately 640 acres consisting of either: (a) two half-sections in two governmental sections or production units directly adjacent and contiguous, forming a "stand-up" north-south oriented rectangle or a "lay-down" east-west oriented rectangle; or (b) four quarter-sections in four governmental sections or production units directly adjacent and contiguous, forming an approximate square. The non-contiguous unit-exception provisions of Paragraph G of the BIPO shall not apply to ATU's.

6. The BIPO, Paragraph I.2, further provides that ATU wells shall be located as near to the geographic center of the ATU as practicable, but in no case less than 1,250 feet from any ATU boundary. ATU wells shall not be drilled outside of these designated tolerances, and the location-exception provisions of Paragraph H of the BIPO shall not apply to ATU wells.

7. The BIPO, Paragraph I.2, further provides that not more than one ATU well may be drilled on each ATU, and the increased density provisions of Paragraph F of the BIPO shall not apply to ATU's. Acreage attributed to one ATU cannot be included in another ATU.

8. The BIPO, Paragraph I.3, provides that Chase Group and Council Grove Group production may be commingled in an ATU well.

9. The BIPO, Paragraph I.4, provides that all ATU's, in vertical alignment for the drilling and completion of both the Chase Group and the Council Grove Group, shall be comprised of equal acreage situated on the same geographic position. Such vertically aligned units that differ in either acreage size or geographic position, or both, shall be permitted only by an Order of the Commission obtained after notice and hearing.

10. The BIPO, Paragraph I.5, provides that before drilling an ATU well, the unit Operator shall file with the Conservation Division an affidavit describing the acreage comprising

the ATU, and a plat showing the acreage comprising the ATU and each Chase and Council Grove well within the ATU which is producing or has produced. The Commission Staff shall have 30 days to object that the drilling of an ATU well fails to prevent waste, and upon such objection, shall set the matter for hearing and provide notice in accordance with K.A.R. 82-3-135a. If no objection is filed within 30 days, the ATU and the drilling of the well are automatically approved.

11. K.S.A. 55-1301 through K.S.A. 55-1317 provide processes for unitizing acreage in Kansas. K.S.A. 55-1301 provides that the Commission shall exercise such powers to prevent waste and protect correlative rights.

12. K.S.A. 55-1303 provides detailed requirements for a unit application including a statement of the type of operations, the proposed plans for unitization, the proposed operating plan covering supervision and costs, and an allegation of the facts required to be found by the Commission in K.S.A. 55-1304.

13. K.S.A. 55-1304 provides that the Commission must find all three of the following conditions are present before unitizing acreage:

- a. Under K.S.A. 55-1304(a)(1), the primary production from a pool or a part thereof sought to be unitized has reached a low economic level and, without introduction of artificial energy, abandonment of oil or gas wells is imminent; or under K.S.A. 55-1304(a)(2) the unitized management, operation, and further development of the pool or the part thereof sought to be unitized is economically feasible and reasonably necessary to prevent waste within the reservoir and substantially increase the ultimate recovery of oil or gas;

- b. the value of the estimated additional recovery of oil or gas substantially exceeds the estimated additional cost incident to conducting such operations; and
- c. the proposed operation is fair and equitable to all interest owners.

14. K.S.A. 55-1305 provides that the order creating the unit shall be upon terms and conditions that are just and reasonable, and it lists detailed requirements that must be included in the order. In addition, K.S.A. 55-1305(l) provides that, for unitization pursuant to K.S.A. 55-1304(a)(2), the plan for unit operations must be approved by the persons who will pay at least 63% of the costs of the unit operation and the owners of at least 75% of the royalty interests. If the required percentages are not obtained at the time the order is issued, the required percentages must be obtained within six months after the order is issued.

III. FINDINGS OF FACT

15. The proposed ATU consists of the following, all in Stevens County, Kansas:

- a. The SE/4 of Section 3, Township 31 South, Range 39 West;
- b. the SW/4 of Section 2, Township 31 South, Range 39 West;
- c. the NW/4 of Section 11, Township 31 South, Range 39 West, and
- d. the NE/4 of Section 10, Township 31 South, Range 39 West.

16. The ATU will comprise approximately 640 acres and will form an approximate square, conforming with the ATU size and shape requirements. The proposed location of the well also complies with the BIPO setback requirements.

17. The application states that the ATU and well are needed for the effective management, development, and production in the area covered by the BIPO to substantially increase and maximize ultimate gas recovery.

18. The application states that the value of the estimated additional recovery of the hydrocarbons from these formations substantially exceeds the estimated additional cost incident to conducting such operations. It further states the proposed operations outlined in the unit agreement and unit operating agreement are fair and equitable to all interest owners.

19. The application includes the unit agreement and unit operating agreement.

20. The Operator is applying for unitization under in K.S.A. 55-1304(a)(2); thus the required percentages are 63% of the working interest and 75% of the royalty interest. The application states that 100% of the working interest is owned by the Operator, and Exhibit B-1 to the Unit Agreement indicates greater than 89% of the royalty interest has consented to the formation of the ATU. This exceeds the statutory requirements for unitization.

21. The Operator has verified that notice was properly served and published at least 15 days before the issuance of this Order. No protests to the grant of the application were filed.

22. The Commission finds that the conditions required by K.S.A. 55-1304 for unitization are present, specifically:

- a. The unitized management, operation, and further development of the pool or the part thereof sought to be unitized is economically feasible and reasonably necessary to prevent waste within the reservoir and substantially increase the ultimate recovery of oil or gas;
- b. the value of the estimated additional recovery of oil or gas substantially exceeds the estimated additional cost incident to conducting such operations;
and
- c. the proposed unit operation is fair and equitable to all interest owners.

23. Incorporation of the application and exhibits, including the Unit Agreement and the Unit Operating Agreement, into this Order will satisfy the requirements of K.S.A. 55-1305.

IV. CONCLUSIONS OF LAW

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

25. The application should be granted to prevent waste and protect correlative rights.

THEREFORE, THE COMMISSION ORDERS:

A. The application to form an ATU pursuant to the BIPO and K.S.A. 55-1301 through K.S.A. 55-1317 is granted.

B. The ATU shall be governed by the terms found in the application and the exhibits, including the Unit Agreement and the Unit Operating Agreement, which are hereby incorporated by reference.

C. Pursuant to K.S.A. 77-537 and K.S.A. 77-542, any party may request a hearing on the above issues by submitting a written request, setting forth the specific grounds upon which relief is sought, to the Commission, at 266 N. Main, Suite 220, Wichita, Kansas 67202, within 15 days from the date of service of this Order. If service is by mail, three days will be added to the Mailed Date listed at the end of this Order. Hearings will be scheduled only upon written request. Failure to timely request a hearing will result in a waiver of the right to a hearing, and this Order will become a Final Order.

D. Attorneys for all parties shall enter their appearances in Commission proceedings by giving their names and addresses for the record. A corporation or similar entity shall not be permitted to enter an appearance except by its attorney.

E. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Date: AUG 20 2015



Amy L. Gilbert
Secretary to the Commission

Date Mailed: August 20, 2015

JM

CERTIFICATE OF SERVICE

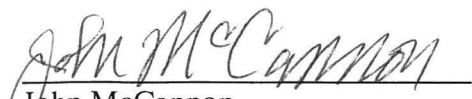
I hereby certify that on 8/20/2015, I caused a true and correct copy of the foregoing "Order" to be served by placing the same in the United States mail, postage prepaid, to the following parties:

James G. Flaherty
Anderson & Byrd, LLP
216 S. Hickory, P.O. Box 17
Ottawa, Kansas 66067
Attorney for Linn Operating, Inc.

Linn Operating, Inc.
600 Travis Suite 5100
Houston, Texas 77002-3018

and hand delivered to the following:

Jim Hemmen
KCC Central Office


John McCannon
Litigation Counsel
Kansas Corporation Commission