



# KANSAS

CORPORATION COMMISSION

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August 30, 2004

Bruce Feikert  
HC 1, Number 1  
St. Francis, KS. 67756

**RE: Conformance With Oil & Gas  
Regulations of the Conservation  
Division of the KCC Regarding  
Feikert #35-5-1 Niobrara Gas  
Well; Sec.35-03S-42W; Cheyenne  
County, KS;**

Dear Mr. Feikert:

Corporation Commission staff has been informed that over the course of the last several years you have been utilizing gas from the Niobrara gas well that was drilled on your family's land by Prime Operating Company back in the eighties to heat your residence and possibly other outlying buildings.

To do this isn't necessarily against Conservation Division rules and regulations, so long as you possess a valid well-operator's license and keep renewing it from year-to-year. This won't be the exact same type of license as the one that commercial oil and gas exploration companies and drilling contractors are required to obtain from the KCC.

You would need to obtain from this Wichita office a homeowner's license for the operation of what the Conservation Division staff calls a "*private, domestic gas well*".

To obtain such a homeowner's license isn't hard.

Contact Ms. Judy Streeter of this office at (316)-337-6194 to have her mail you a license application kit and to explain what purpose the license serves.

However, if you've been taking gas from this Feikert gas well to utilize in other ways than just home-heating (such as to heat outbuildings used to house farm machinery or that provide heated workshop space, or as fuel to run grain-dryers, or to run irrigation pump engines), then you will have to apply for a commercial well-operator's license rather than a homeowner's license.

There is a difference inherent in the size of the license application fee and in the degree of information that will have to be divulged to the KCC between a homeowner's license and a commercial license.

**Bruce Feikert**  
**August 30, 2004**

If you only want to obtain the homeowner's license needed to legally operate an oil/gas lease but currently have the ability to pipe gas from this Feikert well to outlying buildings in addition to your house and have done so in the past, then you can still settle for just the homeowner's license, **provided** that you disconnect the outlying buildings from the Feikert gas well and utilize the gas in future just to heat your house.

Please take the actions needed to obtain either a homeowner's operating license or else a commercial license (if you intend to utilize the natural gas from the Feikert well to do more than just heat your primary dwelling) before Winter sets in. Judy can assist you in understanding all of the informational requirements associated with applying for either type of license.

To continue to operate even a private, domestic gas well without a valid operator's license issued by the KCC is a serious offence.

The other option open to you is to offer to lease your ground to a commercial oil and gas company/corporation by which (after full execution and upon formal recording of the new lease agreement at the courthouse) you will effectively remove yourself as the operator of this old gas well. That means that possessing a valid well-operator's license from the KCC is no longer a requirement that applies to you. That responsibility would fall back upon the new lessee who holds the new lease.

That party could still (theoretically, at least) agree to provide household-use gas to you from the Feikert well in the future.

Sincerely,

Jim Hemmen  
Research Analyst

Cc: Herb Deines  
District 4 Office  
2301 East 13<sup>th</sup> St.  
Hays, KS. 67601

Dear Mr. Hemmen,

I'm writing this as you instructed in regards to my gas well, Feikert #35-5-1 Niobrara Gas Well; Section 35-035-42W; Cheyenne County, Kansas.

As I stated in our phone conversation, to my knowledge this gas well was leased by Don Sullivan, who was representing Press Oil, until July of 2004, when they failed to make a payment. My contract with Press Oil states that I was to receive gas to our property along with an agreed upon amount of money every six months. It's stated in the contract that if Press Oil failed to make a payment the lease was void. On July of 2004, Press Oil failed to make a payment which rendered the lease void, thus giving me the right to seek out other companies to lease the well to.

I am in negotiations with John Holman (phone # 605-745-6386) to lease the well.

I at no time operated this well on my own, so the purpose of your letter is puzzling.

As stated above, it's been leased to Press Oil till July of 2004. I in good faith have used the gas for my property as my contract with Press Oil allowed.

If you have any other questions please call me at 785-332-3067, or write to Bruce Feikert, HC1 BNS1, St. Francis, KS. 67756.

Thank you,  
Bruce Feikert