Jim Hemmen 15-185-23762-00-00

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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Refore	Commissioners:	
	COMMISSIONS.	

Mark Sievers, Chairman Thomas E. Wright

In the Matter of the Application of Empire)	Docket No. 12-CONS-295-CWLE
Energy E&P, LLC for an order authorizing a well location exception in the NE/4 of Section 3 - T22S - R12W, Stafford County,	•	CONSERVATION DIVISION
Kansas.)	License No.: 34506

ORDER GRANTING APPLICATION

Now, the above captioned matter comes on for consideration and determination by the State Corporation Commission of the State of Kansas ("Commission" or "KCC").

An application was filed on June 27, 2012, by Empire Energy E&P, LLC ("Empire" or "Applicant"), for a well location exception and the assignment of a full allowable for the Siefkes "A" #13 well in Stafford County, Kansas. Notice was published at least fifteen (15) days prior to the granting of this application in *The Wichita Eagle* newspaper and in *The St. Johns News* newspaper, stating that this matter would be granted without a hearing if no protests were received within fifteen (15) days from publication; there were no protests. The Commission, after giving consideration to the records and files, makes the following findings and conclusions:

- 1. Empire is a Pennsylvania limited liability company that can be served through its resident agent, the Corporation Service Company, at 200 S.W. 30th St., Topeka, Kansas 66611. KCC records indicate the operator is currently licensed to conduct oil and gas activities in Kansas pursuant to K.S.A. 55-155.
- 2. 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.

- 3. Notice was proper in every respect and was published as prescribed by the Commission's rules and regulations; notice was furnished at least fifteen (15) days prior to the granting of the application to all interested parties. There were no protests.
 - 4. The Applicant's Siefkes "A" #13 is to be located:

1,520 feet from the North line and 2,350 feet from the East line of Section 3, Township 22 South, Range 12 West, Stafford County, Kansas.

- 5. According to K.A.R. 82-3-108, wells shall not be drilled closer than 330 feet from any lease or unit boundary. Exceptions may be granted to the regulation to prevent waste or to protect correlative rights.
- 6. Applicant's Siefkes "A" #13 well is to be located approximately 290 feet from the nearest unit or boundary line instead of the required 330 feet. Applicant has selected the described well site to re-open and develop reserves in order to effectively drain the Arbuckle formation.
 - 7. The acreage to be attributed to the Siefkes "A" #13 well is ten (10) acres in:

The Northwest Quarter of the Northwest Quarter of Southwest Quarter of the Northeast Quarter of Section 3, Township 22 South, Range 12 West, Stafford County, Kansas.

- 8. The Commission finds that an exception to the well location restrictions under K.A.R. 82-3-108 should be granted and the Applicant should receive the full allowable of production from the Siefkes "A" #13 to prevent waste and to protect correlative rights.
 - 9. The application should be granted in accordance with the above findings.

IT IS, THEREFORE, BY THE COMMISSION ORDERED: That the application of Empire Energy E&P, LLC ("Empire"), for a well location exception for the Siefkes "A" #13

well is granted, the acreage attribution unit is hereby assigned regarding the applicant's Siefkes

"A" #13 well, and that a full allowable pursuant to K.A.R. 82-3-207 is assigned to said well.

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.

Date: AUG 0 1 2012

Patrice Petersen-Klein Executive Director

Date Mailed: (8-0)-20

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

AUG 0 1 2012

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CERTIFICATE OF SERVICE

I hereby certify that on 8/1/2012, I caused a true and correct copy of the foregoing "Order Granting Application" to be served by placing the same in the United States mail, postage prepaid, to the following parties:

Bill Waller Empire Energy E&P, LLC 380 Southpointe Blvd #130 Canonsburg PA 15917-0561

J. Scott Pohl, Casey Jones Hinkle Law Firm LLC 8621 E. 21st St. N., Ste. 200 Wichita, Kansas 67206-2991 Attorneys for Empire Energy E&P, LLC

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

And by hand delivery to:

Jim Hemmen, Research Analyst Production Department, Central Office

Ryan A. Hoffman Litigation Counsel

Kansas Corporation Commission