

DR 84-15 Magnum Resources, Inc. re  
quests special permit to reopen  
existing oil wells generally loca-  
ted in an area north & west of  
25th Street North and Grove.

POSTED  
10-22-84 a.c.

ACTION

DATE

COMMITTEE

M.A.P.C.

~~B.C.C.A.E.C.C.~~ Authorized The 11-30-84  
Special permit subject  
to conditions

Map No. 5650-D  
Sec. \_\_\_\_\_  
Twp. \_\_\_\_\_  
Range \_\_\_\_\_

DATA SHEET

DR - 84-15

Filed 10-18-84

APPLICATION REQUEST:

APPLICATION DATA:

1. Applicant: Magnum Resources, Inc. & Gary LaRue  
Address 1108 Bitting, Wichita, KS. 67203 Phone \_\_\_\_\_
2. Agent: \_\_\_\_\_  
Address \_\_\_\_\_ Phone \_\_\_\_\_
3. General Location: In an area north and west of 25th Street North  
and Grove
4. Proposed Use: To reopen existing oil wells

AREA DATA:

1. Acres: \_\_\_\_\_ ( \_\_\_\_\_ ft. by \_\_\_\_\_ ft.)
2. Adjoining Zoning: E \_\_\_\_\_ S \_\_\_\_\_ W \_\_\_\_\_ N \_\_\_\_\_
3. Land Use: East \_\_\_\_\_ South \_\_\_\_\_  
West \_\_\_\_\_ North \_\_\_\_\_
4. Sketch Plan Land Use is for: \_\_\_\_\_
5. Present Land Use is for: \_\_\_\_\_
6. Area (is) (is not) platted. \_\_\_\_\_

PHOTO DATA:

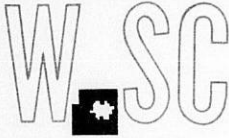
Taken by \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_

LOS ANGELES-CHICAGO-LOGAN, OH  
MEMPHIS-TULSAUST GROVE, GA  
U.S.A.

**Standard**  
No. 2133C

PICTURE SHEET

WICHITA - SEDGWICK COUNTY



METROPOLITAN AREA PLANNING  
COMMISSION

CITY HALL - TENTH FLOOR  
455 NORTH MAIN STREET  
WICHITA, KANSAS 67202

Gary LaRue  
% Magnum Resources, Inc.  
1108 Bitting  
Wichita, KS. 67203

WICHITA-SEDGWICK COUNTY  
METROPOLITAN AREA PLANNING DEPARTMENT

October 22, 1984

TO: E. H. Denton, City Manager  
FROM: Robert A. Lakin, Director of Planning

SUBJECT: DR 84-15: Special Permit - To Reopen Existing Oil Wells

This office has recently received a request from Magnum Resources, Inc. to reopen, and place into production, five oil wells that have recently been plugged by Gulf Oil. This will also include the conversion of an additional well into a salt water disposal well. A copy of the letter of request, including a location map, is attached.

Please place this item on the agenda for consideration by the City Commission at the meeting of October 30, 1984.

BACKGROUND:

As stated in the letter, it is intended to reopen the six existing wells for the production of oil. One well is to be converted to a disposal well and at that location a tank battery will be installed. A copy of the approval by the Kansas Department of Health and Environment for the disposal well is attached. A copy of Title 25 is also included for your information.

In the discussion of this request with representatives of the Law Department, Central Inspection and the Planning Department, it was the determination that these were not new wells, but would be reopening existing wells for production. It was further agreed that it would be necessary for the Board of City Commissioners to approve the transfer or assignment of these wells to a new company as required by Section 25.05.080 of the city code. Any approval should be subject to compliance with all applicable provisions of the code, including casualty insurance.

RECOMMENDATION:

It is recommended that any approval for the reopening of the existing wells should be subject to the following conditions:

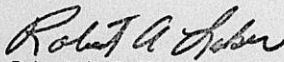
1. The applicant should provide a certificate of Insurance to the City Clerk as set forth in Section 25.04.110 of the code.
2. The applicant shall comply with Sections 25.04.140 and 25.04.150 for the operation of the wells.

E. H. Denton  
Page 2  
October 22, 1984

3. Prior to the reopening of any existing well, the applicant shall make application and pay for a license for the operation of each well as required by Section 25.04.170 of the code.
4. No new wells shall be drilled under the provisions of this permit.
5. The applicant shall submit a detailed layout of the tank farm area, including cross section of the dikes, to the Superintendent of Central Inspection for review and approval by Central Inspection and the Fire Department. The location of the tank farm shall be located on the property so that the disposal well will be located in the southeast corner of the diked area. This will place the tank farm the furthest distance from the residential areas as possible.
6. All wells and the tank farm shall be fenced with a 6-foot chain link fence and topped with not less than 3 strands of barbed wire.

ACTION:

1. Concur in the recommendation and authorize the special permit subject to the conditions set forth above; or
2. Deny the request.



Robert A. Lakin  
Director of Planning

RAL:GL:blw

cc: John Dekker, Director of Law  
Don Anderson, Director of Housing and Economic Development  
Robert B. Feldner, Superintendent of Central Inspection  
Gene Brown, Deputy Treasurer  
Mike Everhardt, Director of Environmental Health  
Jim Sparr, Fire Chief  
Gary LaRue, Magnum Resources, Inc. 1108 Bitting, Wichita, KS. 67203

## MAGNUM RESOURCES, INC.

OIL & GAS PRODUCERS  
1108 BITTING STREET, WICHITA, KANSAS 67203  
316 / 263-8861

October 15, 1984.

Mr. Robert A. Lakin  
Director MAPD  
Wichita, Kansas

Dear Bob,

In talking with John Galbraith last week concerning the oil & gas lease Magnum currently holds on the Tjaden properties, John suggested that we supply you with a plat and letter outlining our objectives.

The property under lease is all located in the NW $\frac{1}{4}$  of 3-27-1E and includes the following plots: S $\frac{1}{2}$ -SW $\frac{1}{4}$ -NW $\frac{1}{4}$  excluding the east 165', N $\frac{1}{2}$ -SW $\frac{1}{4}$ -NW $\frac{1}{4}$ , NW $\frac{1}{4}$ -SE $\frac{1}{4}$ -NW $\frac{1}{4}$ , and the N $\frac{1}{2}$ -NW $\frac{1}{4}$ .

There were six producing wells on the lease block that were plugged by Gulf Oil in June of 1984. There was a seventh well to the northeast of the Jade D-1 that was a directional well which ended up approximately 600' to the east under the Ridgecrest Second Addition but we have no plans of opening up this well and have not even tried to lease it.

These wells still have the production casing intact with a plug set above the zone of interest. We propose to convert the Jade D-1, which is located 325' north of 26th St. and 375' west of Madison Avenue into a salt water disposal well. The landowners have agreed to unitize the aforementioned leases so we will set one tank battery to handle the whole block at the D-1 location. This facility will be approximately 60' X 100' and be enclosed by a six foot chain link fence topped with three strand barb wire. Along the inside perimeter of the fence a two foot high dike will be constructed of earth and rock. The tank battery will consist of four 200 barrel oil tanks, a separator and two 200 barrel water tanks. All tanks will be the closed top type in accordance with code.

After the work on the disposal well is completed, we plan to remove the plugs from the E-1 located 287' west of Minnesota Avenue and 460' north of 25th St., and the D-2 which is approximately 335' northwest of the corner of 26th and Minnesota. The pumping units for these wells will be enclosed with six foot chain link fences topped with three strand barb wire and measure 15' X 60'.

When the work is completed on this first phase we expect to produce the E-1 and D-2 for approximately six months and then commence work on the second phase. This would consist of removing the plugs and setting pumping units and fences on the C-3, B-3, and the B-4 in the same manner as the D-2 and E-1.

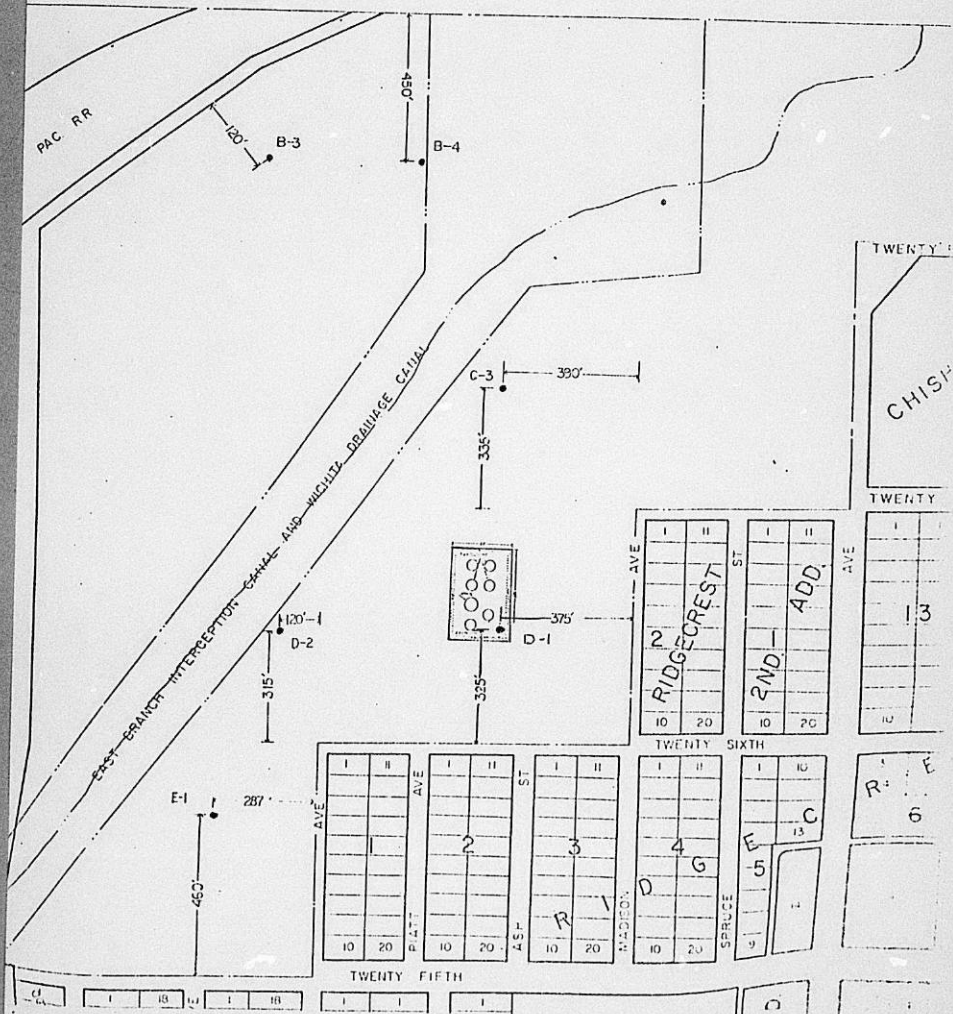
Actually when we finish setting up this project it will contain four less tank battery locations and two less pumping units than what Gulf Oil used when operating the same leases. I hope this overview will be helpful to you as you evaluate our project and if you have any questions please call me.

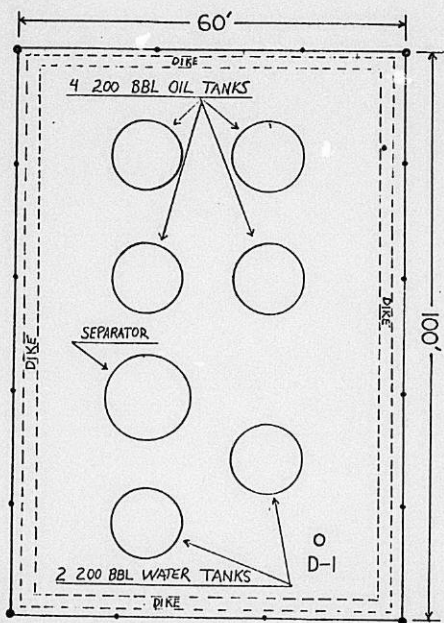
Thank you.

Respectfully,

*Gary B. LaRue*  
Gary B. LaRue  
Vice-President

# LOCATION MAP





TANK BATTERY FOR JADE D-1

State of Kansas



JOHN CARLIN  
MICHAEL LENZEN  
R. C. (PETE) LOUX  
KEITH R. HENLEY  
JUDITH MCCONNELL  
BRIAN J. MOLINE

Governor  
Chairman  
Commissioner  
Executive Secretary  
General Counsel

State Corporation Commission

CONSERVATION DIVISION

(Oil, Gas and Water)  
200 Colorado Derby Building  
202 West 1st Street  
WICHITA, KANSAS 67202-1286

July 23, 1984

Magnum Resources, Inc.  
1108 Bitting St.  
Wichita, Kansas 67203

Re: SW Disposal well application  
Jade D #1, 3-27-1E, Sedgwick Co.

Gentlemen:

We have reviewed your application for "design approval" of the above cited saltwater disposal well. We believe that the design as presented is satisfactory. This application has been reviewed in our technical section and by the KDHE Geologist attached here. The application still needs reviewed by KDHE/Topeka staff. I am advising you of our acceptance because there could possibly be 3 weeks delay in processing due to vacation leaves of staff in both agencies. I do not anticipate any problem with the design you request. Please advise both agencies of construction details including final TD upon completion. After completion, you will need a MIT (casing integrity test). Coordinate with the joint district office in Wichita for the MIT.

Sincerely,

Handwritten signature of Jim Schoof in cursive.  
Jim Schoof  
Chief Engineer

JS/1s



State of Kansas . . . John Carlin, Governor

DEPARTMENT OF HEALTH AND ENVIRONMENT

Barbara J. Sabol, Secretary

Forbes Field  
Topeka, Kansas 66620  
913-662-9360



August 27, 1984

Mr. Gary LaRue  
Magnum Resources, Inc.  
1108 Bitting Street  
Wichita, Kansas 67203

Re: D 23,364

Dear Mr. LaRue:

We approve of the design of well No. 1 on your Jade D Lease located in Sec. 3-27-1E, Sedgwick County, Kansas, as an Arbuckle Formation disposal well.

When you have completed the well, please notify this office of the correct depths and the rest of the cementing data. At that time, we will finish our processing of this application and forward it to the Corporation Commission in Wichita.

Sincerely yours,

*Marvin W. Glotzbach*  
Marvin W. Glotzbach, Chief  
Oil Field Pollution  
Control Section

MWG:sc

cc: Jim Schoof  
Ralph O'Connor

OIL AND GAS WELLS 25.04.010-25.04.015

Chapter 25.04  
OIL AND GAS WELLS

Sections:

- 25.04.010 "Well" defined.
  - 25.04.015 Drilling prohibited except in oil and gas well district.
  - 25.04.020 Oil and gas well district map.
  - 25.04.030 Special permit and drilling permit—Required.
  - 25.04.040 Drilling permit—Filing application with superintendent of central inspection; deposit.
  - 25.04.050 Same—Issuance; conditions generally; completion.
  - 25.04.060 Same—Information and evidence to be submitted as condition for granting permit.
  - 25.04.070 Permits—Duration.
  - 25.04.080 Same—Nonassignable.
  - 25.04.090 Authorization to lay pipelines in streets, etc., required.
  - 25.04.100 Surety bonds required.
  - 25.04.110 Indemnity or casualty insurance required.
  - 25.04.120 Drilling units—Establishment; production unit.
  - 25.04.130 Same—Location of wells.
  - 25.04.140 Applicability of state laws and regulations.
  - 25.04.150 Specific drilling and production regulations.
  - 25.04.160 Additional requirements by board of commissioners.
  - 25.04.170 Licenses.
  - 25.04.180 Well inspection; duties.
  - 25.04.190 Preparation and supplying applications, permits, notices, etc.
  - 25.04.200 Revocation of permits, licenses or other authorizations.
  - 25.04.210 Notices required to be given superintendent of central inspection.
  - 25.04.220 Use of abandoned well.
  - 25.04.230 Orders to stop work.
  - 25.04.240 Same—Appeals.
- 25.04.010 "Well" defined. A "well" or "wells" for the purposes of this chapter means any well drilled, or to be drilled, or used, for the production of oil, natural gas or the disposal of waste liquids produced therefrom. "Oil" means crude oil or petroleum and shall include all waste oil. (Ord. No. 37-873, § 1.)
- 25.04.015 Drilling prohibited except in oil and gas well district. Well drilling shall be prohibited in all areas within the corporate limits of the city except those areas defined by ordinance and shown on the Oil and Gas Well District Map. It is unlawful to drill a well in any area not permitted. (Ord. No. 37-873, § 2.)

25.04.020-25.04.060 OIL AND GAS WELLS

25.04.020 Oil and gas well district map. The metropolitan area planning department shall cause to be prepared a map describing the areas in which the drilling and operation of wells may be lawful. Such map is to be marked "Oil and Gas Well District Map" and shall be kept and maintained by the metropolitan area planning department as provided in Section 28.04.181-3 and shall be available for inspection and examination by members of the public at all reasonable times. (Ord. No. 37-873, § 3.)

25.04.030 Special permit and drilling permit—Required. It is unlawful for any person to drill or commence operations for the drilling of a well, at any place where otherwise lawful within the corporate limits of the city without first having obtained a special permit from the board of commissioners of the city and a drilling permit as hereinafter provided. Application for the special permit shall be made as provided in Section 28.04.181-3. (Ord. No. 37-873, § 4.)

25.04.040 Drilling permit—Filing application with superintendent of central inspection; deposit. After approval of the special permit by the board of commissioners, the applicant for a permit, as provided for in the preceding section, shall file with the superintendent of central inspection an application for a drilling permit in writing conforming to the further provisions of this chapter, and shall at such time deposit with the superintendent of central inspection a fee of five hundred dollars which shall, upon the granting of the drilling permit, be paid into the city treasury to the credit of the general operating fund. (Ord. No. 37-873, § 5.)

25.04.050 Same—Issuance; conditions generally; completion. The superintendent of central inspection shall, upon determination that the application for a well drilling permit conforms to the conditions of this chapter, authorize the issuance of a permit granting authority to drill the proposed well. Such drilling permit shall be conditioned to conform to the special permit as approved by the board of commissioners; provided, that upon the completion of the well, the permittee shall file a completion report with the central inspection division showing the drilled depth of the well, the depth of the surface casing and the producing horizon being developed. Not more than one well shall be completed in the same producing horizon in a drilling unit. (Ord. No. 37-873, § 6.)

25.04.060 Same—Information and evidence to be submitted as condition for granting permit. The applicant for any permit to drill a well in the city shall submit the following information and evidence as a condition for the granting of a drilling permit hereunder:

1. Evidence that all owners of record of mineral interests or oil and gas leasehold interests in the area attributable or which might be attributed by unitization or declaration to drill-unit, where it is proposed to drill a well, have had an opportunity to join in the execution of the oil and gas lease

of the applicant covering the land excluded in such unit or attributed areas, and that such owners of mineral interests or oil and gas leasehold interests have been notified in writing that the applicants propose to seek a permit for the drilling of a well on the unit described in such notice. In the event that such owners cannot with reasonable diligence be located, then affidavits setting forth the facts thereof may be substituted for the required proof of written notice;

2. Statements that the applicant has a valid oil and gas lease executed by persons owning at least fifty-one percent of the mineral interest included in the unit or attributed thereto, exclusive of streets and alleys, subject, however, to the provisions of the zoning ordinances relating to drilling of wells;

3. Statements that the lease provide or is accompanied by an agreement in writing providing substantially as follows: that a royalty of at least one-eighth of the gross production of the well shall be distributed to the respective owners of the minerals rights within the unit pro rata;

4. Statements that any lease with any governmental subdivision of the state, quasi-municipal corporation, public agency, or other entity as defined in K.S.A. 55-211a, or any amendments thereto, contains a provision for spacing of producing wells in accordance with rules and regulations of the Kansas Corporation Commission;

5. Agreements or statements showing reasonable and adequate plans for the handling and disposal, in accordance with all applicable state laws and city ordinances, of all drilling fluids, basic sediment, brines and other deleterious substances and wastes that may be produced in connection with the drilling and operation of the proposed well;

6. Plans and drawings showing the facilities for the handling or storing of production of the proposed well;

7. Statements of agreement that in the event the well is either non-productive or abandoned, within sixty days after the determination thereof, that all tools, equipment, and machinery used in connection with the drilling of the well shall be removed, and that the premises shall be fully restored to their original condition as soon as practicable and in no case more than sixty days after such determination;

8. Statements of agreement that if such well is productive, only the tools, machinery, structures and equipment necessary for the operation thereof shall be maintained at such well and that the premises surrounding the same shall be restored to their original condition as nearly as practicable and within sixty days after completion of the well;

9. Statements of agreement that all drilling wastes shall be removed from storage facilities within thirty days of completion of the well.

All of the preceding information and evidence shall be in a form satisfactory to the superintendent of central inspection and shall be in addition to information required for a special permit by Section 28.04.181-3. (Ord. No. 37-873, § 7.)

**25.04.070 Permits - Duration.** The permits authorized by this chapter shall be valid only in the event and for so long as the permittee shall faithfully comply with the conditions of this chapter, and of the permits authorized in accordance therewith, and only so long as there is production from or other lawful use made of the well. (Ord. No. 37-873, § 8.)

**25.04.080 Same - Nonassignable.** No permit, authorized by this chapter, shall be assignable or assigned without the approval of the board of commissioners. (Ord. No. 37-873, § 9.)

**25.04.090 Authorization to lay pipelines in streets, etc., required.** If any applicant or any other party shall desire to lay pipelines in the streets, public grounds, or alleys in the city for transmission of oil or gas or any waste fluid from any well or drilling location within the boundaries of the city, authorization therefor, as provided by law, shall be obtained from the board of commissioners and as a prerequisite to such authorization. The person seeking same shall provide detailed plans and specifications for constructing and maintaining such pipelines and for restoration, so far as practicable, of streets, grounds and alleys, wherever damaged by such construction, to as good condition as existed immediately prior to the damage, which plans and specifications shall be approved by the director of operations and maintenance prior to granting such authorization. (Ord. No. 37-873, § 10.)

**25.04.100 Surety bonds required.** (a) The applicant shall at the time of filing an application for a drilling permit, submit for approval a corporate surety bond executed by some bonding or surety company authorized to do business in the state, or a personal surety bond, in the amount of one hundred thousand dollars payable to the city, conditioned for the full and faithful compliance with all the terms and provisions of this chapter and the conditions of the permit authorized thereby, and to save and hold the city free and harmless from all suits or damages sustained by the city in the event that any claim for damage or injury is maintained against the city as a result of the activities of the applicant in drilling or operating a well. A copy or certificate of the bond shall be deposited with the city clerk. All such bonds shall be renewed immediately prior to their termination and shall remain in force and be binding upon the principal and surety unless cancelled by giving thirty days' notice in writing to the city clerk, and the surety shall not be liable for any loss after the expiration of thirty days from the date specified in the notice, except for loss occurring while the bond is in full force and effect. Upon the expiration of any such bond, a new bond shall be filed by the principal in such amount as in the case of an original bond.

(b) In the event that any permittee shall have furnished such bond as required for a permit and there shall be no unsatisfied claim upon such bond at the time of the application for a subsequent permit to drill a well, no further bond shall be required for any subsequent permit, but in such event

there shall be endorsed on the bond the identification of the subsequent permit for which the bond is made applicable; provided, that if there shall be an unsatisfied claim against the existing bond at the time of the application for a subsequent permit, the board of commissioners, at its discretion, may require an additional bond in the aforesaid amount or any lesser amount as may be determined.

(c) The amount of the surety bond heretofore may be reduced to ten thousand dollars from and after the completion of any well upon filing a new or amended bond conditioned and approved as in the case of the original bond, except for the amount. Such bond shall be renewed and filed during the continued operation of the well and for a period of six months thereafter or until the premises have been cleared of obstructions and restored to their original condition as required by this chapter. (Ord. No. 37-873, § 11.)

**25.04.110 Indemnity or casualty insurance required.** The applicant for a drilling permit shall submit a policy of indemnity or casualty insurance, issued by some responsible insurance company authorized to do business in the state, and naming the city as coinsured, insuring against injuries, loss or damage for which the applicant may be liable as the result of the drilling, operation or maintenance of any well or any structure or machinery appurtenant thereto. Such insurance coverage shall be in the following amounts: five hundred thousand dollars for injury to any one person in any occurrence; five hundred thousand dollars for injury to more than one person in any occurrence; one hundred thousand dollars for loss or damage to property in any one occurrence; and additional excess coverage in the amount of two million dollars.

A copy or certificate of the policy shall be deposited with the city clerk, together with a certificate by the insurance company that such insurance is in force and shall not be cancelled without thirty days' written notice thereof to the city. Such insurance shall be renewed immediately prior to the end of the term thereof and shall be maintained during the entire period of drilling or operation of a well. (Ord. No. 37-873, § 12.)

**25.04.120 Drilling units - Establishment; production unit.** The board of commissioners shall, from time to time as drilling requirements develop, in connection with the oil and gas well drilling map, determine and establish units for the drilling of wells. Where practicable, in so doing, the board of commissioners shall establish units of forty contiguous acres when allowed by state law and regulation; and provided, that the board of commissioners may waive this requirement as to drilling units of wells permitted or commenced prior to the effective date of this chapter; and provided further, that intervening rights of way, streets and alleys within such units and to the centerline of the same on the perimeter thereof shall be included in determining such acreage. The territory in such units shall be attributed to the well, for the drilling of which a permit may be granted. Each unit shall

be appropriately numbered and the number thereof entered on any drilling permit granted for the unit.

The production unit shall be coterminous with the drilling unit. (Ord. No. 37-873, § 13.)

**25.04.130 Same - Location of wells.** Each well commenced or drilled in the corporate limits shall, as nearly as practicable, be drilled in the center of a drilling unit, heretofore provided and established, but the board of commissioners at the time of granting a special permit may authorize such variation therefrom as may be deemed necessary depending upon the location of streets, alleys, residences and other buildings relative to the proposed drill site, geographical and topographical factors, and the size and shape of the unit and available attributable areas; provided, however, that the well location shall otherwise be in accordance with the provisions of Section 28.04.181-3. The approved location of the well shall be described in the permit. (Ord. No. 37-873, § 14.)

**25.04.140 Applicability of state laws and regulations.** Unless otherwise set forth specifically by city ordinance, all wells shall be spaced, located, drilled, operated, and maintained in accordance with applicable state laws and regulations. (Ord. No. 37-873, § 15.)

**25.04.150 Specific drilling and production regulations.** The issuance and continued validity of a permit and the authorization for the drilling or operation of a well, authorized thereby, shall be conditioned upon compliance by the permittee with the following rules and regulations and any departure therefrom shall constitute a violation of this chapter:

(1) The surface pipe must be run and set at least ten feet into the Wellington Shale and in no event less than three hundred feet into the ground.

(2) The surface pipe must be solidly cemented from top to bottom on the outside of the pipe.

(3) Adequate precautions shall be taken and necessary well head safety devices be used at all times during the drilling and completion of the well; and all drill stem tests shall be reverse circulated to confine fluids to pits in accordance with the most acceptable practices.

(4) Locations and equipment shall at all times during drilling operations be fenced by either a temporary portable type snow fencing at least four feet high or other fencing equally acceptable.

(5) Upon completion of a well the pumping unit, tank battery and other permanent production equipment shall be enclosed in accordance with the special permit approved by the board of commissioners.

(6) All drilling fluids shall be contained in portable tanks at the drilling site.

(7) All waters produced from any well shall be disposed of underground

in accordance with regulations of the Kansas Corporation Commission or the state board of health.

(8) At no time shall fluids of any kind be run into or stored in earthen pits. No saltwater or other waste fluids shall be disposed of in waterways or the sanitary sewer system unless approved by the director of health and the director of water and water pollution control.

(9) All pumping units shall be set on a steel or concrete base and the surface of the ground around the well shall be graded to surrounding ground.

(10) All pumping units must be electrically driven and equipped with belt safety guards.

(11) All oil separator, petroleum and brine storage tanks shall be covered. No gas, odors, fumes from any storage tank, oil separator or casing head shall be vented into the open air without being filtered through a pollution control device containing activated carbon. Such devices shall be maintained on a scheduled basis to maintain their effectiveness. Burning of gases or fumes by use of flares from wells or storage facilities is not allowable without a specific permit from the environmental health director.

(12) All storage tanks shall be located within a diked area not less than two feet in height covering an area sufficient to contain and hold one and one-half times the entire liquid capacity of all tanks therein. Rainwater or other fluids shall not be allowed to accumulate within the dikes and shall be removed periodically. Unless tested and approved for disposal by sanitary sewer, the fluids shall be considered as contaminated and disposed of in accordance with regulations of the Kansas Corporation Commission or the state board of health.

(13) All production equipment, structures and premises shall at all times be maintained and kept in a clean, sanitary and tidy condition; and all structures shall be of incombustible materials.

(14) Storage tanks shall be equipped with automatic shut-off devices linked to the fluid level in the tank to prevent overflowing and spillage. In addition, a single overflow tank shall be provided to contain the overflow from the oil or brine storage tanks in the event that the shutoff devices fail. The capacity of the overflow tank shall be sufficient to hold twenty-four hours' production from the well or wells.

(15) The owners and operators of drilling, pumping or storage equipment shall be responsible for the immediate clean-up and disposal of any spillage of oil or brine at the well site.

(16) All wells shall be equipped with a blowout prevention device of the double ram type. (Ord. No. 37-873, § 16.)

25.04.160 Additional requirements by board of commissioners. At the time of granting any permit, under the provisions of this chapter, the board of commissioners may make requirements, in addition to those contained therein, as may be reasonably necessary for protection of persons and property in the city. (Ord. No. 37-873, § 17.)

25.04.170 Licenses. (a) A license fee is levied upon the owner or operator of every completed and operated well in the corporate limits in the following amounts:

(1) Producing oil or gas wells . . . . .	\$150.00
(2) Salt water disposal wells . . . . .	75.00.

Such fees shall be paid to the city license collector within not more than twenty days after completion of any well. The license collector shall thereupon issue a license which shall be valid for a period of twelve calendar months from and after the completion date of such well. The license shall not be transferable nor prorated for any unused period. The fees so paid shall be deposited in the city treasury to the credit of the general operating fund and budgeted for the payment of the costs of administration of this chapter.

(b) The license herein required shall be renewed annually and the fee therefor paid at twelve month intervals from the date of the first license and until the operation of any well so licensed shall be discontinued, the well abandoned, and the premises cleared as provided in this chapter. (Ord. No. 37-873, § 18.)

25.04.180 Well inspection; duties. It shall be the duty of the central inspection division to inspect wells and drilling sites and to otherwise generally administer and enforce, in conjunction with other concerned departments of the city, the provisions of this chapter on drilling and operation of wells in the city. (Ord. No. 37-873, § 19.)

25.04.190 Preparation and supplying applications, permits, notices, etc. The central inspection division may prepare and supply such applications, permits, notices, licenses and other forms as may be required by this chapter and upon request supply copies of this chapter to applicants for any permit or license. (Ord. No. 37-873, § 20.)

25.04.200 Revocation of permits, licenses or other authorizations. Upon any substantial violation of the conditions of any permit, license, authorization or of any provisions of this chapter, the board of commissioners may, upon a hearing after five days' written notice by mail or personal service, to the permittee or licensee, or if the address of the permittee or licensee is unknown and the permittee or licensee cannot be found in the city, after the expiration of five days from the date of publication of notice of any such hearing in a newspaper authorized to publish legal notices in the city, revoke such permit, license or authorization; provided, however, that if in the judgment of the board of commissioners restitution is made for any damage occasioned by such violation together with adequate provisions to prevent any further violations by such permittee or licensee, the board of commissioners may waive revocation of any permit or license, but the same shall not affect any penalty otherwise provided for the violation of this chapter. (Ord. No. 37-873, § 21.)

OIL AND GAS WELLS 25.04.210-25.04.240

25.04.210 Notices required to be given superintendent of central inspection. It shall be the duty of every permittee or licensee, as the case may be, to give the superintendent of central inspection notice of the commencement of any drilling of a well, the setting and cementing of the surface casing of any well and of the beginning of other stages of the drilling or operation or abandonment of any well, as may be required by regulations to be approved by the superintendent of central inspection. The date of completion or abandonment of any well and pertinent information shall be entered of record. (Ord. No. 37-873, § 22.)

25.04.220 Use of abandoned well. All abandoned wells which shall not be used and equipped for disposal purposes, shall be filled and plugged in accordance with applicable rules of the agencies of the state having jurisdiction thereof. (Ord. No. 37-873, § 23.)

25.04.230 Orders to stop work. The inspectors of the central inspection division shall be authorized to order any work stopped or corrected which shall not conform to the conditions required by this chapter. A copy of such order shall be filed with the well permit and preserved as a permanent record open to public inspection. (Ord. No. 37-873, § 24.)

25.04.240 Same - Appeals. Any person aggrieved by any inspection order to stop or correct any work may forthwith appeal to the superintendent of central inspection for a hearing and determination of the matter complained of; and may, within ten days from the decision of the superintendent, file an appeal in writing with the city clerk to be submitted to the board of commissioners at its next meeting for a hearing and a determination thereof. The decision of the board of commissioners shall be final and conclusive. (Ord. No. 37-873, § 25.)

WICHITA-SEDGWICK COUNTY  
METROPOLITAN AREA PLANNING DEPARTMENT

October 22, 1984

TO: E. H. Denton, City Manager  
FROM: Robert A. Lakin, Director of Planning

SUBJECT: DR 84-15: Special Permit - To Reopen Existing Oil Wells

This office has recently received a request from Magnum Resources, Inc. to reopen, and place into production, five oil wells that have recently been plugged by Gulf Oil. This will also include the conversion of an additional well into a salt water disposal well. A copy of the letter of request, including a location map, is attached.

Please place this item on the agenda for consideration by the City Commission at the meeting of October 30, 1984.

BACKGROUND:

As stated in the letter, it is intended to reopen the six existing wells for the production of oil. One well is to be converted to a disposal well and at that location a tank battery will be installed. A copy of the approval by the Kansas Department of Health and Environment for the disposal well is attached. A copy of Title 25 is also included for your information.

In the discussion of this request with representatives of the Law Department, Central Inspector and the Planning Department, it was the determination that these were not new wells, but would be reopening existing wells for production. It was further agreed that it would be necessary for the Board of City Commissioners to approve the transfer or assignment of these wells to a new company as required by Section 25.05.080 of the city code. Any approval should be subject to compliance with all applicable provisions of the code, including casualty insurance.

RECOMMENDATION:

It is recommended that any approval for the reopening of the existing wells should be subject to the following conditions:

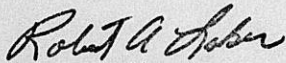
1. The applicant should provide a certificate of Insurance to the City Clerk as set forth in Section 25.04.110 of the code.
2. The applicant shall comply with Sections 25.04.140 and 25.04.150 for the operation of the wells.

E. H. Denton  
Page 2  
October 22, 1984

3. Prior to the reopening of any existing well, the applicant shall make application and pay for a license for the operation of each well as required by Section 25.04.170 of the code.
4. No new wells shall be drilled under the provisions of this permit.
5. The applicant shall submit a detailed layout of the tank farm area, including cross section of the dikes, to the Superintendent of Central Inspection for review and approval by Central Inspection and the Fire Department. The location of the tank farm shall be located on the property so that the disposal well will be located in the southeast corner of the diked area. This will place the tank farm the furthest distance from the residential areas as possible.
6. All wells and the tank farm shall be fenced with a 6-foot chain link fence and topped with not less than 3 strands of barbed wire.

ACTION:

1. Concur in the recommendation and authorize the special permit subject to the conditions set forth above; or
2. Deny the request.



Robert A. Lakin  
Director of Planning

RAL:GL:blw

cc: John Dekker, Director of Law  
Don Anderson, Director of Housing and Economic Development  
Robert B. Feldner, Superintendent of Central Inspection  
Gene Brown, Deputy Treasurer  
Mike Everhardt, Director of Environmental Health  
Jim Sparr, Fire Chief  
Gary LaRue, Magnum Resources, Inc. 1108 Bitting, Wichita, KS. 67203

## MAGNUM RESOURCES, INC.

OIL & GAS PRODUCERS  
1108 BITTING STREET, WICHITA KANSAS 67203  
316 / 263-8861

October 15, 1984

Mr. Robert A. Lakin  
Director MAPD  
Wichita, Kansas

Dear Bob,

In talking with John Galbraith last week concerning the oil & gas lease Magnum currently holds on the Tjaden properties, John suggested that we supply you with a plat and letter outlining our objectives.

The property under lease is all located in the NW $\frac{1}{4}$  of 3-27-1E and includes the following plots: S $\frac{1}{2}$ -SW $\frac{1}{2}$ -NW $\frac{1}{4}$  excluding the east 165', N $\frac{1}{2}$ -SW $\frac{1}{2}$ -NW $\frac{1}{4}$ , NW $\frac{1}{4}$ -SE $\frac{1}{2}$ -NW $\frac{1}{4}$ , and the N $\frac{1}{2}$ -NW $\frac{1}{4}$ .

There were six producing wells on the lease block that were plugged by Gulf Oil in June of 1984. There was a seventh well to the northeast of the Jade D-1 that was a directional well which ended up approximately 600' to the east under the Ridgecrest Second Addition but we have no plans of opening up this well and have not even tried to lease it.

These wells still have the production casing intact with a plug set above the zone of interest. We propose to convert the Jade D-1, which is located 325' north of 26th St. and 375' west of Madison Avenue into a salt water disposal well. The landowners have agreed to unitize the aforementioned leases so we will set one tank battery to handle the whole block at the D-1 location. This facility will be approximately 60' X 100' and be enclosed by a six foot chain link fence topped with three strand barb wire. Along the inside perimeter of the fence a two foot high dike will be constructed of earth and rock. The tank battery will consist of four 200 barrel oil tanks, a separator and two 200 barrel water tanks. All tanks will be the closed top type in accordance with code.

After the work on the disposal well is completed, we plan to remove the plugs from the E-1 located 287' west of Minnesota Avenue and 460' north of 25th St., and the D-2 which is approximately 335' northwest of the corner of 26th and Minnesota. The pumping units for these wells will be enclosed with six foot chain link fences topped with three strand barb wire and measure 15' X 60'.

When the work is completed on this first phase we expect to produce the E-1 and D-2 for approximately six months and then commence work on the second phase. This would consist of removing the plugs and setting pumping units and fences on the C-3, B-3, and the B-4 in the same manner as the D-2 and E-1.

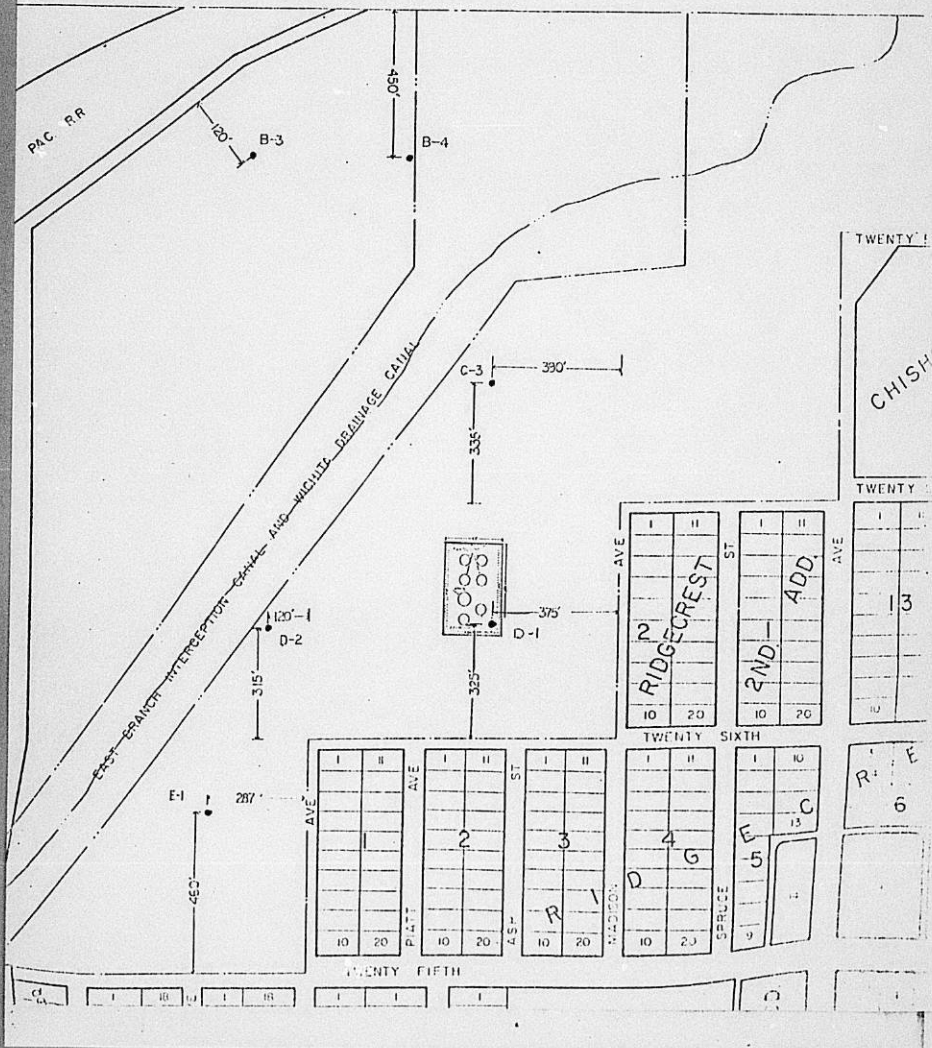
Actually when we finish setting up this project it will contain four less tank battery locations and two less pumping units than what Gulf Oil used when operating the same leases. I hope this overview will be helpful to you as you evaluate our project and if you have any questions please call me.

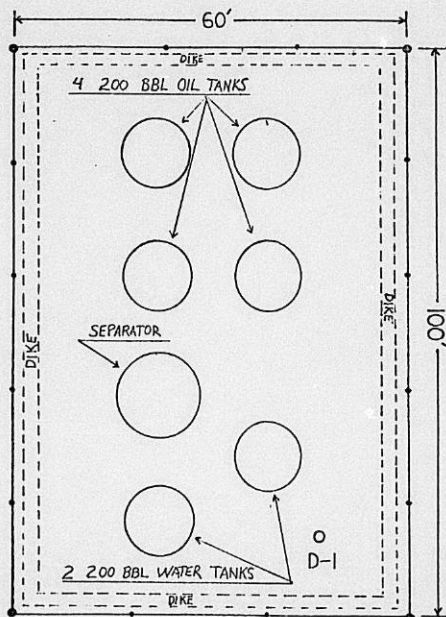
Thank you.

Respectfully,

*Gary B. LaRue*  
Gary B. LaRue  
Vice-President

# LOCATION MAP





TANK BATTERY FOR JADE D-1

State of Kansas



JOHN CARLIN  
MICHAEL LENNEN  
R. C. (PETE) LOUX  
KEITH R. HENLEY  
JUDITH MCCONNELL  
BRIAN J. MOLINE

Governor  
Chairman  
Commissioner  
Commissioner  
Executive Secretary  
General Counsel

State Corporation Commission

CONSERVATION DIVISION

(Oil, Gas and Water)  
200 Colorado Derby Building  
202 West 1st Street  
WICHITA, KANSAS 67202-1286

July 23, 1984

Magnum Resources, Inc.  
1108 Bitting St.  
Wichita, Kansas 67203

Re: SW Disposal well application  
Jade D #1, 3-27-1E, Sedgwick Co.

Gentlemen:

We have reviewed your application for "design approval" of the above cited saltwater disposal well. We believe that the design as presented is satisfactory. This application has been reviewed in our technical section and by the KDHE Geologist attached here. The application still needs reviewed by KDHE/Topeka staff. I am advising you of our acceptance because there could possibly be 3 weeks delay in processing due to vacation leaves of staff in both agencies. I do not anticipate any problem with the design you request. Please advise both agencies of construction details including final TD upon completion. After completion, you will need a MIT (casing integrity test). Coordinate with the joint district office in Wichita for the MIT.

Sincerely,

A handwritten signature in cursive script that reads "Jim Schoof".  
Jim Schoof  
Chief Engineer

JS/1s

**State of Kansas . . . John Carlin, Governor**  
**DEPARTMENT OF HEALTH AND ENVIRONMENT**

Barbara J. Sabol, Secretary

Forbes Field  
Topeka, Kansas 66620  
913-862-9360



August 27, 1984

Mr. Gary LaRue  
Magnum Resources, Inc.  
1108 Bitting Street  
Wichita, Kansas 67203

Re: D 23,364

Dear Mr. LaRue:

We approve of the design of well No. 1 on your Jade D Lease located in Sec. 3-27-1E, Sedgwick County, Kansas, as an Arbuckle Formation disposal well.

When you have completed the well, please notify this office of the correct depths and the rest of the cementing data. At that time, we will finish our processing of this application and forward it to the Corporation Commission in Wichita.

Sincerely yours,

*Marvin W. Clotzbach*  
Marvin W. Clotzbach, Chief  
Oil Field Pollution  
Control Section

MWG:sc

cc: Jim Schoof  
Ralph O'Connor

Chapter 25.04  
OIL AND GAS WELLS

## Sections:

- 25.04.010 "Well" defined.
- 25.04.015 Drilling prohibited except in oil and gas well district.
- 25.04.020 Oil and gas well district map.
- 25.04.030 Special permit and drilling permit—Required.
- 25.04.040 Drilling permit—Filing application with superintendent of central inspection; deposit.
- 25.04.050 Same—Issuance; conditions generally; completion.
- 25.04.060 Same—Information and evidence to be submitted as condition for granting permit.
- 25.04.070 Permits—Duration.
- 25.04.080 Same—Nonassignable.
- 25.04.090 Authorization to lay pipelines in streets, etc., required.
- 25.04.100 Surety bonds required.
- 25.04.110 Indemnity or casualty insurance required.
- 25.04.120 Drilling units—Establishment; production unit.
- 25.04.130 Same—Location of wells.
- 25.04.140 Applicability of state laws and regulations.
- 25.04.150 Specific drilling and production regulations.
- 25.04.160 Additional requirements by board of commissioners.
- 25.04.170 Licenses.
- 25.04.180 Well inspection; duties.
- 25.04.190 Preparation and supplying applications, permits, notices, etc.
- 25.04.200 Revocation of permits, licenses or other authorizations.
- 25.04.210 Notices required to be given superintendent of central inspection.
- 25.04.220 Use of abandoned well.
- 25.04.230 Orders to stop work.
- 25.04.240 Same—Appeals.

25.04.010 "Well" defined. A "well" or "wells" for the purposes of this chapter means any well drilled, or to be drilled, or used, for the production of oil, natural gas or the disposal of waste liquids produced therefrom. "Oil" means crude oil or petroleum and shall include all waste oil. (Ord. No. 37-873, § 1.)

25.04.015 Drilling prohibited except in oil and gas well district. Well drilling shall be prohibited in all areas within the corporate limits of the city except those areas defined by ordinance and shown on the Oil and Gas Well District Map. It is unlawful to drill a well in any area not permitted. (Ord. No. 37-873, § 2.)

25.04.020 Oil and gas well district map. The metropolitan area planning department shall cause to be prepared a map describing the areas in which the drilling and operation of wells may be lawful. Such map is to be marked "Oil and Gas Well District Map" and shall be kept and maintained by the metropolitan area planning department as provided in Section 28.04.181-3 and shall be available for inspection and examination by members of the public at all reasonable times. (Ord. No. 37-873, § 3.)

25.04.030 Special permit and drilling permit—Required. It is unlawful for any person to drill or commence operations for the drilling of a well, at any place where otherwise lawful within the corporate limits of the city without first having obtained a special permit from the board of commissioners of the city and a drilling permit as hereinafter provided. Application for the special permit shall be made as provided in Section 28.04.181-3. (Ord. No. 37-873, § 4.)

25.04.040 Drilling permit—Filing application with superintendent of central inspection; deposit. After approval of the special permit by the board of commissioners, the applicant for a permit, as provided for in the preceding section, shall file with the superintendent of central inspection an application for a drilling permit in writing conforming to the further provisions of this chapter, and shall at such time deposit with the superintendent of central inspection a fee of five hundred dollars which shall, upon the granting of the drilling permit, be paid into the city treasury to the credit of the general operating fund. (Ord. No. 37-873, § 5.)

25.04.050 Same—Issuance; conditions generally; completion. The superintendent of central inspection shall, upon determination that the application for a well drilling permit conforms to the conditions of this chapter, authorize the issuance of a permit granting authority to drill the proposed well. Such drilling permit shall be conditioned to conform to the special permit as approved by the board of commissioners; provided, that upon the completion of the well, the permittee shall file a completion report with the central inspection division showing the drilled depth of the well, the depth of the surface casing and the producing horizon being developed. Not more than one well shall be completed in the same producing horizon in a drilling unit. (Ord. No. 37-873, § 6.)

25.04.060 Same—Information and evidence to be submitted as condition for granting permit. The applicant for any permit to drill a well in the city shall submit the following information and evidence as a condition for the granting of a drilling permit hereunder:

1. Evidence that all owners of record of mineral interests or oil and gas leasehold interests in the area attributable or which might be attributed by unitization or declaration to drill-unit, where it is proposed to drill a well, have had an opportunity to join in the execution of the oil and gas lease

of the applicant covering the land excluded in such unit or attributed areas, and that such owners of mineral interests or oil and gas leasehold interests have been notified in writing that the applicants propose to seek a permit for the drilling of a well on the unit described in such notice. In the event that such owners cannot with reasonable diligence be located, then affidavits setting forth the facts thereof may be substituted for the required proof of written notice;

2. Statements that the applicant has a valid oil and gas lease executed by persons owning at least fifty-one percent of the mineral interest included in the unit or attributed thereto, exclusive of streets and alleys, subject, however, to the provisions of the zoning ordinances relating to drilling of wells;

3. Statements that the lease provide or is accompanied by an agreement in writing providing substantially as follows: that a royalty of at least one-eighth of the gross production of the well shall be distributed to the respective owners of the minerals rights within the unit pro rata;

4. Statements that any lease with any governmental subdivision of the state, quasi-municipal corporation, public agency, or other entity as defined in K.S.A. 55-211a, or any amendments thereto, contains a provision for spacing of producing wells in accordance with rules and regulations of the Kansas Corporation Commission;

5. Agreements or statements showing reasonable and adequate plans for the handling and disposal, in accordance with all applicable state laws and city ordinances, of all drilling fluids, basic sediment, brines and other deleterious substances and wastes that may be produced in connection with the drilling and operation of the proposed well;

6. Plans and drawings showing the facilities for the handling or storing of production of the proposed well;

7. Statements of agreement that in the event the well is either non-productive or abandoned, within sixty days after the determination thereof, that all tools, equipment, and machinery used in connection with the drilling of the well shall be removed, and that the premises shall be fully restored to their original condition as soon as practicable and in no case more than sixty days after such determination;

8. Statements of agreement that if such well is productive, only the tools, machinery, structures and equipment necessary for the operation thereof shall be maintained at such well and that the premises surrounding the same shall be restored to their original condition as nearly as practicable and within sixty days after completion of the well;

9. Statements of agreement that all drilling wastes shall be removed from storage facilities within thirty days of completion of the well.

All of the preceding information and evidence shall be in a form satisfactory to the superintendent of central inspection and shall be in addition to information required for a special permit by Section 28.04.181-3, (Ord. No. 37-873, § 7.)

**25.04.070 Permits - Duration.** The permits authorized by this chapter shall be valid only in the event and for so long as the permittee shall faithfully comply with the conditions of this chapter, and of the permits authorized in accordance therewith, and only so long as there is production from or other lawful use made of the well. (Ord. No. 37-873, § 8.)

**25.04.080 Same - Nonassignable.** No permit, authorized by this chapter, shall be assignable or assigned without the approval of the board of commissioners. (Ord. No. 37-873, § 9.)

**25.04.090 Authorization to lay pipelines in streets, etc., required.** If any applicant or any other party shall desire to lay pipelines in the streets, public grounds, or alleys in the city for transmission of oil or gas or any waste fluid from any well or drilling location within the boundaries of the city, authorization therefor, as provided by law, shall be obtained from the board of commissioners and as a prerequisite to such authorization. The person seeking same shall provide detailed plans and specifications for constructing and maintaining such pipelines and for restoration, so far as practicable, of streets, grounds and alleys, wherever damaged by such construction, to as good condition as existed immediately prior to the damage, which plans and specifications shall be approved by the director of operations and maintenance prior to granting such authorization. (Ord. No. 37-873, § 10.)

**25.04.100 Surety bonds required.** (a) The applicant shall at the time of filing an application for a drilling permit, submit for approval a corporate surety bond executed by some bonding or surety company authorized to do business in the state, or a personal surety bond, in the amount of one hundred thousand dollars payable to the city, conditioned for the full and faithful compliance with all the terms and provisions of this chapter and the conditions of the permit authorized thereby, and to save and hold the city free and harmless from all suits or damages sustained by the city in the event that any claim for damage or injury is maintained against the city as a result of the activities of the applicant in drilling or operating a well. A copy or certificate of the bond shall be deposited with the city clerk. All such bonds shall be renewed immediately prior to their termination and shall remain in force and be binding upon the principal and surety unless cancelled by giving thirty days' notice in writing to the city clerk, and the surety shall not be liable for any loss after the expiration of thirty days from the date specified in the notice, except for loss occurring while the bond is in full force and effect. Upon the expiration of any such bond, a new bond shall be filed by the principal in such amount as in the case of an original bond.

(b) In the event that any permittee shall have furnished such bond as required for a permit and there shall be no unsatisfied claim upon such bond at the time of the application for a subsequent permit to drill a well, no further bond shall be required for any subsequent permit, but in such event

there shall be endorsed on the bond the identification of the subsequent permit for which the bond is made applicable; provided, that if there shall be an unsatisfied claim against the existing bond at the time of the application for a subsequent permit, the board of commissioners, at its discretion, may require an additional bond in the aforesaid amount or any lesser amount as may be determined.

(c) The amount of the surety bond heretofore may be reduced to ten thousand dollars from and after the completion of any well upon filing a new or amended bond conditioned and approved as in the case of the original bond, except for the amount. Such bond shall be renewed and filed during the continued operation of the well and for a period of six months thereafter or until the premises have been cleared of obstructions and restored to their original condition as required by this chapter. (Ord. No. 37-873, § 11.)

25.04.110 Indemnity or casualty insurance required. The applicant for a drilling permit shall submit a policy of indemnity or casualty insurance, issued by some responsible insurance company authorized to do business in the state, and naming the city as coinsured, insuring against injuries, loss or damage for which the applicant may be liable as the result of the drilling, operation or maintenance of any well or any structure or machinery appurtenant thereto. Such insurance coverage shall be in the following amounts: five hundred thousand dollars for injury to any one person in any occurrence; five hundred thousand dollars for injury to more than one person in any occurrence; one hundred thousand dollars for loss or damage to property in any one occurrence; and additional excess coverage in the amount of two million dollars.

A copy or certificate of the policy shall be deposited with the city clerk, together with a certificate by the insurance company that such insurance is in force and shall not be cancelled without thirty days' written notice thereof to the city. Such insurance shall be renewed immediately prior to the end of the term thereof and shall be maintained during the entire period of drilling or operation of a well. (Ord. No. 37-873, § 12.)

25.04.120 Drilling units - Establishment; production unit. The board of commissioners shall, from time to time as drilling requirements develop, in connection with the oil and gas well drilling map, determine and establish units for the drilling of wells. Where practicable, in so doing, the board of commissioners shall establish units of forty contiguous acres when allowed by state law and regulation; and provided, that the board of commissioners may waive this requirement as to drilling units of wells permitted or commenced prior to the effective date of this chapter; and provided further, that intervening rights of way, streets and alleys within such units and to the centerline of the same on the perimeter thereof shall be included in determining such acreage. The territory in such units shall be attributed to the well, for the drilling of which a permit may be granted. Each unit shall

be appropriately numbered and the number thereof entered on any drilling permit granted for the unit.

The production unit shall be coterminous with the drilling unit. (Ord. No. 37-873, § 13.)

25.04.130 Same - Location of wells. Each well commenced or drilled in the corporate limits shall, as nearly as practicable, be drilled in the center of a drilling unit, heretofore provided and established, but the board of commissioners at the time of granting a special permit may authorize such variation therefrom as may be deemed necessary depending upon the location of streets, alleys, residences and other buildings relative to the proposed drill site, geographical and topographical factors, and the size and shape of the unit and available attributable areas; provided, however, that the well location shall otherwise be in accordance with the provisions of Section 28.04.181-3. The approved location of the well shall be described in the permit. (Ord. No. 37-873, § 14.)

25.04.140 Applicability of state laws and regulations. Unless otherwise set forth specifically by city ordinance, all wells shall be spaced, located, drilled, operated, and maintained in accordance with applicable state laws and regulations. (Ord. No. 37-873, § 15.)

25.04.150 Specific drilling and production regulations. The issuance and continued validity of a permit and the authorization for the drilling or operation of a well, authorized thereby, shall be conditioned upon compliance by the permittee with the following rules and regulations and any departure therefrom shall constitute a violation of this chapter:

- (1) The surface pipe must be run and set at least ten feet into the Wellington Shale and in no event less than three hundred feet into the ground.
- (2) The surface pipe must be solidly cemented from top to bottom on the outside of the pipe.
- (3) Adequate precautions shall be taken and necessary well head safety devices be used at all times during the drilling and completion of the well; and all drill stem tests shall be reverse circulated to confine fluids to pits in accordance with the most acceptable practices.
- (4) Locations and equipment shall at all times during drilling operations be fenced by either a temporary portable type snow fencing at least four feet high or other fencing equally acceptable.
- (5) Upon completion of a well the pumping unit, tank battery and other permanent production equipment shall be enclosed in accordance with the special permit approved by the board of commissioners.
- (6) All drilling fluids shall be contained in portable tanks at the drilling site.
- (7) All waters produced from any well shall be disposed of underground

in accordance with regulations of the Kansas Corporation Commission or the state board of health.

(8) At no time shall fluids of any kind be run into or stored in earthen pits. No saltwater or other waste fluids shall be disposed of in waterways or the sanitary sewer system unless approved by the director of health and the director of water and water pollution control.

(9) All pumping units shall be set on a steel or concrete base and the surface of the ground around the well shall be graded to surrounding ground.

(10) All pumping units must be electrically driven and equipped with bell safety guards.

(11) All oil separator, petroleum and brine storage tanks shall be covered. No gas, odors, fumes from any storage tank, oil separator or casing head shall be vented into the open air without being filtered through a pollution control device containing activated carbon. Such devices shall be maintained on a scheduled basis to maintain their effectiveness. Burning of gases or fumes by use of flares from wells or storage facilities is not allowable without a specific permit from the environmental health director.

(12) All storage tanks shall be located within a diked area not less than two feet in height covering an area sufficient to contain and hold one and one-half times the entire liquid capacity of all tanks therein. Rainwater or other fluids shall not be allowed to accumulate within the dikes and shall be removed periodically. Unless tested and approved for disposal by sanitary sewer, the fluids shall be considered as contaminated and disposed of in accordance with regulations of the Kansas Corporation Commission or the state board of health.

(13) All production equipment, structures and premises shall at all times be maintained and kept in a clean, sanitary and tidy condition; and all structures shall be of incombustible materials.

(14) Storage tanks shall be equipped with automatic shut-off devices linked to the fluid level in the tank to prevent overfilling and spillage. In addition, a single overflow tank shall be provided to contain the overflow from the oil or brine storage tanks in the event that the shutoff devices fail. The capacity of the overflow tank shall be sufficient to hold twenty-four hours' production from the well or wells.

(15) The owners and operators of drilling, pumping or storage equipment shall be responsible for the immediate clean-up and disposal of any spillage of oil or brine at the well site.

(16) All wells shall be equipped with a blowout prevention device of the double ram type. (Ord. No. 37-873, § 16.)

**25.04.160 Additional requirements by board of commissioners.** At the time of granting any permit, under the provisions of this chapter, the board of commissioners may make requirements, in addition to those contained therein, as may be reasonably necessary for protection of persons and property in the city. (Ord. No. 37-873, § 17.)

**25.04.170 Licenses.** (a) A license fee is levied upon the owner or operator of every completed and operated well in the corporate limits in the following amounts:

- |                                      |          |
|--------------------------------------|----------|
| (1) Producing oil or gas wells ..... | \$150.00 |
| (2) Salt water disposal wells .....  | 75.00.   |

Such fees shall be paid to the city license collector within not more than twenty days after completion of any well. The license collector shall thereupon issue a license which shall be valid for a period of twelve calendar months from and after the completion date of such well. The license shall not be transferable nor prorated for any unused period. The fees so paid shall be deposited in the city treasury to the credit of the general operating fund and budgeted for the payment of the costs of administration of this chapter.

(b) The license herein required shall be renewed annually and the fee therefor paid at twelve month intervals from the date of the first license and until the operation of any well so licensed shall be discontinued, the well abandoned, and the premises cleared as provided in this chapter. (Ord. No. 37-873, § 18.)

**25.04.180 Well inspection; duties.** It shall be the duty of the central inspection division to inspect wells and drilling sites and to otherwise generally administer and enforce, in conjunction with other concerned departments of the city, the provisions of this chapter on drilling and operation of wells in the city. (Ord. No. 37-873, § 19.)

**25.04.190 Preparation and supplying applications, permits, notices, etc.** The central inspection division may prepare and supply such applications, permits, notices, licenses and other forms as may be required by this chapter and upon request supply copies of this chapter to applicants for any permit or license. (Ord. No. 37-873, § 20.)

**25.04.200 Revocation of permits, licenses or other authorizations.** Upon any substantial violation of the conditions of any permit, license, authorization or of any provisions of this chapter, the board of commissioners may, upon a hearing after five days' written notice by mail or personal service, to the permittee or licensee, or if the address of the permittee or licensee is unknown and the permittee or licensee cannot be found in the city, after the expiration of five days from the date of publication of notice of any such hearing in a newspaper authorized to publish legal notices in the city, revoke such permit, license or authorization; provided, however, that if in the judgment of the board of commissioners restitution is made for any damage occasioned by such violation together with adequate provisions to prevent any further violations by such permittee or licensee, the board of commissioners may waive revocation of any permit or license, but the same shall not affect any penalty otherwise provided for the violation of this chapter. (Ord. No. 37-873, § 21.)

OIL AND GAS WELLS 25.04.210-25.04.240

**25.04.210 Notices required to be given superintendent of central inspection.** It shall be the duty of every permittee or licensee, as the case may be, to give the superintendent of central inspection notice of the commencement of any drilling of a well, the setting and cementing of the surface casing of any well and of the beginning of other stages of the drilling or operation or abandonment of any well, as may be required by regulations to be approved by the superintendent of central inspection. The date of completion or abandonment of any well and pertinent information shall be entered of record. (Ord. No. 37-873, § 22.)

**25.04.220 Use of abandoned well.** All abandoned wells which shall not be used and equipped for disposal purposes, shall be filled and plugged in accordance with applicable rules of the agencies of the state having jurisdiction thereof. (Ord. No. 37-873, § 23.)

**25.04.230 Orders to stop work.** The inspectors of the central inspection division shall be authorized to order any work stopped or corrected which shall not conform to the conditions required by this chapter. A copy of such order shall be filed with the well permit and preserved as a permanent record open to public inspection. (Ord. No. 37-873, § 24.)

**25.04.240 Same - Appeals.** Any person aggrieved by any inspection order to stop or correct any work may forthwith appeal to the superintendent of central inspection for a hearing and determination of the matter complained of, and may, within ten days from the decision of the superintendent, file an appeal in writing with the city clerk to be submitted to the board of commissioners at its next meeting for a hearing and a determination thereof. The decision of the board of commissioners shall be final and conclusive. (Ord. No. 37-873, § 25.)

WICHITA-SEDGWICK COUNTY  
METROPOLITAN AREA PLANNING DEPARTMENT

November 6, 1984

TO: Robert Feldner, Superintendent of Central Inspection  
FROM: Glen E. Lytle, Special Assistant for Zoning  
SUBJECT: DR 84-15: Special Permit - To Reopen Existing Oil Wells  
(North of 25th and west of Madison)

On October 30, 1984, the Board of City Commissioners approved a special permit to allow the reopening of six existing wells that had previously been plugged. This request was from Magnum Resources, Inc., of Wichita, for wells located on the Tjaden properties in the NW $\frac{1}{4}$  of Section 3, Township 27, Range 1 East. A location map is attached indicating the wells to be reopened and the well (D-1) to be used as a disposal well which includes the tank farm area. The following are conditions of approval:

1. Prior to the issuance of any license or permits for any of the wells, the applicant shall provide a certificate of insurance to the City Clerk in the amounts as set forth in Section 25.04.110 of the code.
2. The operation of any of the wells shall not be commenced until the applicant has secured a license from the City treasurer for each well. The operation of the wells shall be subject to all conditions set forth in Section 25.04.150 of the code and including the installation of a 6-foot chain link fence, topped with not less than 3 strands of barbed wire around each of the wells and the disposal well and tank farm area.
3. The applicant shall submit to the Superintendent of Central Inspection a detailed layout of the tank farm area, including a cross section of the dikes for review and approval by Central Inspection and the Fire Department.
4. Under no circumstance shall any new wells be drilled under the provisions of this permit.

Please follow-up on this special permit request to see that the provisions established by the Board of Commissioners and the appropriate sections of the code are adhered to.

Sincerely,

Glen E. Lytle  
Special Assistant for Zoning

GEL:sad

cc: Don Anderson, Director of Housing & Economic Development  
Gene Brown, Deputy Treasurer  
Don Gisick, City Clerk  
Mike Everhart, Director, Environmental Health  
Jim Sparr, Chief, Fire Department  
Gary LaRue, Magnum Resources, 1108 Bitting, Wichita 67203

WICHITA-SEDGWICK COUNTY  
METROPOLITAN AREA PLANNING DEPARTMENT

October 22, 1984

TO: E. H. Denton, City Manager  
FROM: Robert A. Lakin, Director of Planning

SUBJECT: DR 84-15: Special Permit - To Reopen Existing Oil Wells

This office has recently received a request from Magnum Resources, Inc. to reopen, and place into production, five oil wells that have recently been plugged by Gulf Oil. This will also include the conversion of an additional well into a salt water disposal well. A copy of the letter of request, including a location map, is attached.

Please place this item on the agenda for consideration by the City Commission at the meeting of October 30, 1984.

BACKGROUND:

As stated in the letter, it is intended to reopen the six existing wells for the production of oil. One well is to be converted to a disposal well and at that location a tank battery will be installed. A copy of the approval by the Kansas Department of Health and Environment for the disposal well is attached. A copy of Title 25 is also included for your information.

In the discussion of this request with representatives of the Law Department, Central Inspector and the Planning Department, it was the determination that these were not new wells, but would be reopening existing wells for production. It was further agreed that it would be necessary for the Board of City Commissioners to approve the transfer or assignment of these wells to a new company as required by Section 25.05.080 of the city code. Any approval should be subject to compliance with all applicable provisions of the code, including casualty insurance.

RECOMMENDATION:

It is recommended that any approval for the reopening of the existing wells should be subject to the following conditions:

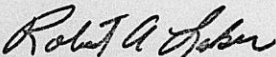
1. The applicant should provide a certificate of Insurance to the City Clerk as set forth in Section 25.04.110 of the code.
2. The applicant shall comply with Sections 25.04.140 and 25.04.150 for the operation of the wells.

E. H. Denton  
Page 2  
October 22, 1984

3. Prior to the reopening of any existing well, the applicant shall make application and pay for a license for the operation of each well as required by Section 25.04.170 of the code.
4. No new wells shall be drilled under the provisions of this permit.
5. The applicant shall submit a detailed layout of the tank farm area, including cross section of the dikes, to the Superintendent of Central Inspection for review and approval by Central Inspection and the Fire Department. The location of the tank farm shall be located on the property so that the disposal well will be located in the southeast corner of the diked area. This will place the tank farm the furthest distance from the residential areas as possible.
6. All wells and the tank farm shall be fenced with a 6-foot chain link fence and topped with not less than 3 strands of barbed wire.

ACTION:

1. Concur in the recommendation and authorize the special permit subject to the conditions set forth above; or
2. Deny the request.



Robert A. Lakin  
Director of Planning

RAL:GL:blw

cc: John Dekker, Director of Law  
Don Anderson, Director of Housing and Economic Development  
Robert B. Feldner, Superintendent of Central Inspection  
Gene Brown, Deputy Treasurer  
Mike Everhardt, Director of Environmental Health  
Jim Sparr, Fire Chief  
Gary LaRue, Magnum Resources, Inc. 1108 Bitting, Wichita, KS. 67203

# MAGNUM RESOURCES, INC.

OIL & GAS PRODUCERS  
1108 BITTING STREET, WICHITA, KANSAS 67203  
316 / 263-8861

October 15, 1984

Mr. Robert A. Lakin  
Director MAPD  
Wichita, Kansas

Dear Bob,

In talking with John Galbraith last week concerning the oil & gas lease Magnum currently holds on the Tjaden properties, John suggested that we supply you with a plat and letter outlining our objectives.

The property under lease is all located in the NW $\frac{1}{4}$  of 3-27-1E and includes the following plots: s $\frac{1}{2}$ -SW $\frac{1}{4}$ -NW $\frac{1}{4}$  excluding the east 165', N $\frac{1}{2}$ -SW $\frac{1}{4}$ -NW $\frac{1}{4}$ , NW $\frac{1}{4}$ -SE $\frac{1}{4}$ -NW $\frac{1}{4}$ , and the N $\frac{1}{2}$ -NW $\frac{1}{4}$ .

There were six producing wells on the lease block that were plugged by Gulf Oil in June of 1984. There was a seventh well to the northeast of the Jade D-1 that was a directional well which ended up approximately 600' to the east under the Ridgecrest Second Addition but we have no plans of opening up this well and have not even tried to lease it.

These wells still have the production casing intact with a plug set above the zone of interest. We propose to convert the Jade D-1, which is located 325' north of 26th St. and 375' west of Madison Avenue into a salt water disposal well. The landowners have agreed to unitize the aforementioned leases so we will set one tank battery to handle the whole block at the D-1 location. This facility will be approximately 60' X 100' and be enclosed by a six foot chain link fence topped with three strand barb wire. Along the inside perimeter of the fence a two foot high dike will be constructed of earth and rock. The tank battery will consist of four 200 barrel oil tanks, a separator and two 200 barrel water tanks. All tanks will be the closed top type in accordance with code.

After the work on the disposal well is completed, we plan to remove the plugs from the E-1 located 287' west of Minnesota Avenue and 460' north of 25th St., and the D-2 which is approximately 335' northwest of the corner of 26th and Minnesota. The pumping units for these wells will be enclosed with six foot chain link fences topped with three strand barb wire and measure 15' X 60'.

When the work is completed on this first phase we expect to produce the E-1 and D-2 for approximately six months and then commence work on the second phase. This would consist of removing the plugs and setting pumping units and fences on the C-3, B-3, and the E-4 in the same manner as the D-2 and E-1.

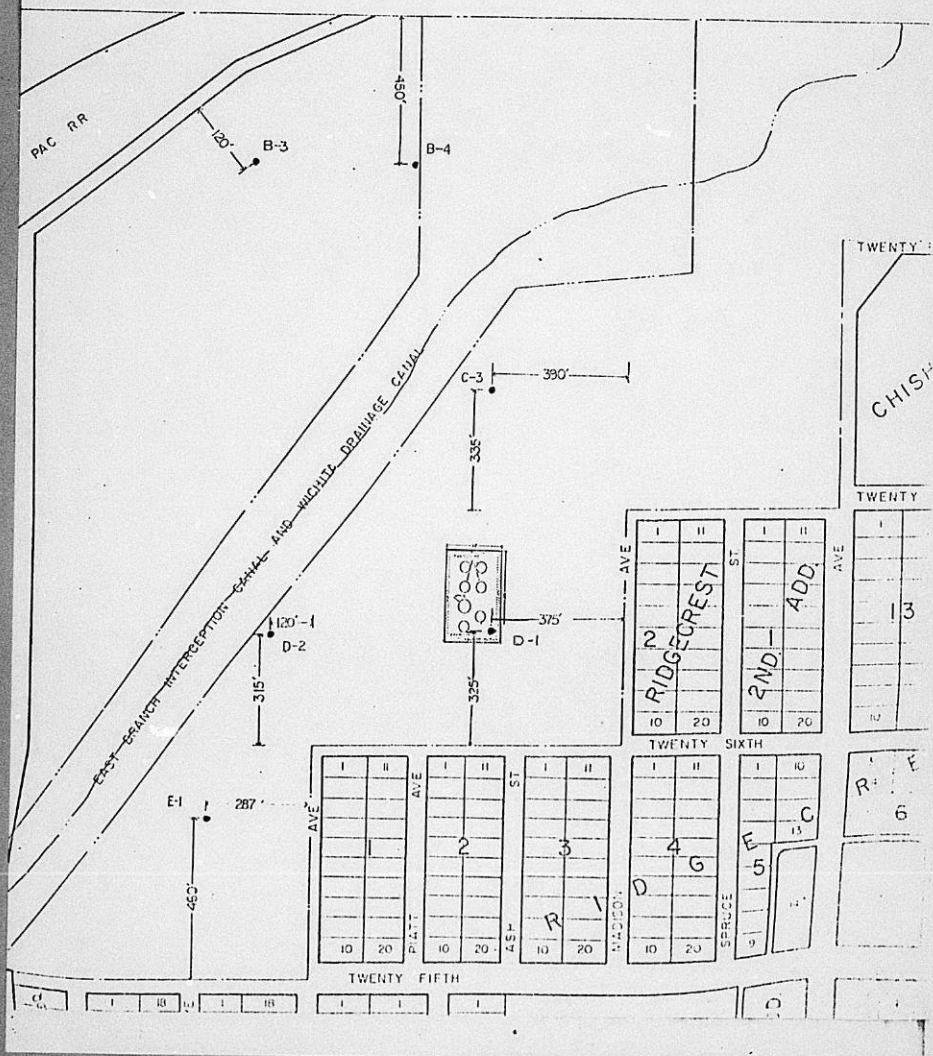
Actually when we finish setting up this project it will contain four less tank battery locations and two less pumping units than what Gulf Oil used when operating the same leases. I hope this overview will be helpful to you as you evaluate our project and if you have any questions please call me.

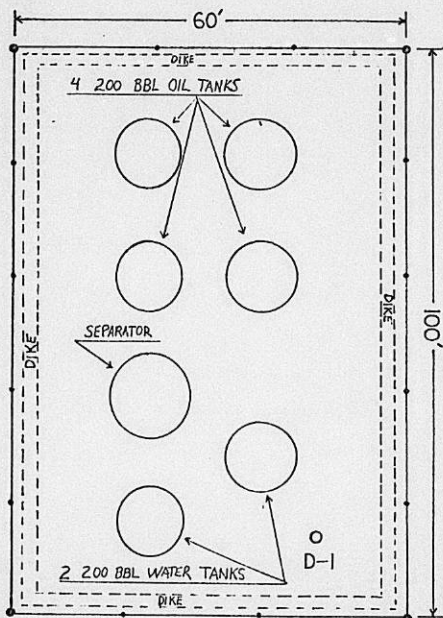
Thank you.

Respectfully,

*Gary B. LaRue*  
Gary B. LaRue  
Vice-President

# LOCATION MAP





TANK BATTERY FOR JADE D-1

State of Kansas



JOHN CARLIN  
MICHAEL LENNEN  
R. C. (PETE) LOUK  
KEITH R. HEINLEY  
JUDITH McDONNELL  
BRIAN J. MOLINE

Governor  
Chairman  
Commissioner  
Executive Secretary  
General Counsel

*State Corporation Commission*  
**CONSERVATION DIVISION**

(Oil, Gas and Water)  
200 Colorado Derby Building  
202 West 1st Street  
WICHITA, KANSAS 67202-1286

July 23, 1984

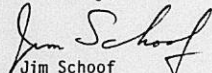
Magnum Resources, Inc.  
1108 Bitting St.  
Wichita, Kansas 67203

Re: SW Disposal well application  
Jade D #1, 3-27-1E, Sedgwick Co.

Gentlemen:

We have reviewed your application for "design approval" of the above cited saltwater disposal well. We believe that the design as presented is satisfactory. This application has been reviewed in our technical section and by the KDHE Geologist attached here. The application still needs reviewed by KDHE/Topeka staff. I am advising you of our acceptance because there could possibly be 3 weeks delay in processing due to vacation leaves of staff in both agencies. I do not anticipate any problem with the design you request. Please advise both agencies of construction details including final TD upon completion. After completion, you will need a MIT (casing integrity test). Coordinate with the joint district office in Wichita for the MIT.

Sincerely,

  
Jim Schoof  
Chief Engineer

JS/1s

State of Kansas . . . John Carlin, Governor

DEPARTMENT OF HEALTH AND ENVIRONMENT

Barbara J. Sabol, Secretary

Forbes Field  
Topeka, Kansas 66620  
913-862-9360



August 27, 1984

Mr. Gary LaRue  
Magnum Resources, Inc.  
1108 Bitting Street  
Wichita, Kansas 67203

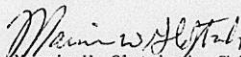
Re: D 23,364

Dear Mr. LaRue:

We approve of the design of well No. 1 on your Jade D Lease located in Sec. 3-27-1E, Sedgwick County, Kansas, as an Arbuckle Formation disposal well.

When you have completed the well, please notify this office of the correct depths and the rest of the cementing data. At that time, we will finish our processing of this application and forward it to the Corporation Commission in Wichita.

Sincerely yours,

  
Marvin W. Glotzbach, Chief  
Oil Field Pollution  
Control Section

MWG:sc

cc: Jim Schoof  
Ralph O'Connor

Chapter 25.04  
OIL AND GAS WELLS

## Sections:

- 25.04.010 "Well" defined.  
 25.04.015 Drilling prohibited except in oil and gas well district.  
 25.04.020 Oil and gas well district map.  
 25.04.030 Special permit and drilling permit—Required.  
 25.04.040 Drilling permit—Filing application with superintendent of central inspection; deposit.  
 25.04.050 Same—Issuance; conditions generally; completion.  
 25.04.060 Same—Information and evidence to be submitted as condition for granting permit.  
 25.04.070 Permits—Duration.  
 25.04.080 Same—Nonassignable.  
 25.04.090 Authorization to lay pipelines in streets, etc., required.  
 25.04.100 Surety bonds required.  
 25.04.110 Indemnity or casualty insurance required.  
 25.04.120 Drilling units—Establishment; production unit.  
 25.04.130 Same—Location of wells.  
 25.04.140 Applicability of state laws and regulations.  
 25.04.150 Specific drilling and production regulations.  
 25.04.160 Additional requirements by board of commissioners.  
 25.04.170 Licenses.  
 25.04.180 Well inspection; duties.  
 25.04.190 Preparation and supplying applications, permits, notices, etc.  
 25.04.200 Revocation of permits, licenses or other authorizations.  
 25.04.210 Notices required to be given superintendent of central inspection.  
 25.04.220 Use of abandoned well.  
 25.04.230 Orders to stop work.  
 25.04.240 Same—Appeals.
- 25.04.010 "Well" defined. A "well" or "wells" for the purposes of this chapter means any well drilled, or to be drilled, or used, for the production of oil, natural gas or the disposal of waste liquids produced therefrom. "Oil" means crude oil or petroleum and shall include all waste oil. (Ord. No. 37-873, § 1.)
- 25.04.015 Drilling prohibited except in oil and gas well district. Well drilling shall be prohibited in all areas within the corporate limits of the city except those areas defined by ordinance and shown on the Oil and Gas Well District Map. It is unlawful to drill a well in any area not permitted. (Ord. No. 37-873, § 2.)

25.04.020 Oil and gas well district map. The metropolitan area planning department shall cause to be prepared a map describing the areas in which the drilling and operation of wells may be lawful. Such map is to be marked "Oil and Gas Well District Map" and shall be kept and maintained by the metropolitan area planning department as provided in Section 28.04.181-3 and shall be available for inspection and examination by members of the public at all reasonable times. (Ord. No. 37-873, § 3.)

25.04.030 Special permit and drilling permit — Required. It is unlawful for any person to drill or commence operations for the drilling of a well, at any place where otherwise lawful within the corporate limits of the city without first having obtained a special permit from the board of commissioners of the city and a drilling permit as hereinafter provided. Application for the special permit shall be made as provided in Section 28.04.181-3. (Ord. No. 37-873, § 4.)

25.04.040 Drilling permit — Filing application with superintendent of central inspection; deposit. After approval of the special permit by the board of commissioners, the applicant for a permit, as provided for in the preceding section, shall file with the superintendent of central inspection an application for a drilling permit in writing conforming to the further provisions of this chapter, and shall at such time deposit with the superintendent of central inspection a fee of five hundred dollars which shall, upon the granting of the drilling permit, be paid into the city treasury to the credit of the general operating fund. (Ord. No. 37-873, § 5.)

25.04.050 Same — Issuance; conditions generally; completion. The superintendent of central inspection shall, upon determination that the application for a well drilling permit conforms to the conditions of this chapter, authorize the issuance of a permit granting authority to drill the proposed well. Such drilling permit shall be conditioned to conform to the special permit as approved by the board of commissioners; provided, that upon the completion of the well, the permittee shall file a completion report with the central inspection division showing the drilled depth of the well, the depth of the surface casing and the producing horizon being developed. Not more than one well shall be completed in the same producing horizon in a drilling unit. (Ord. No. 37-873, § 6.)

25.04.060 Same — Information and evidence to be submitted as condition for granting permit. The applicant for any permit to drill a well in the city shall submit the following information and evidence as a condition for the granting of a drilling permit hereunder:

1. Evidence that all owners of record of mineral interests or oil and gas leasehold interests in the area attributable or which might be attributed by unitization or declaration to drill-unit, where it is proposed to drill a well, have had an opportunity to join in the execution of the oil and gas lease

of the applicant covering the land excluded in such unit or attributed areas, and that such owners of mineral interests or oil and gas leasehold interests have been notified in writing that the applicants propose to seek a permit for the drilling of a well on the unit described in such notice. In the event that such owners cannot with reasonable diligence be located, then affidavits setting forth the facts thereof may be substituted for the required proof of written notice;

2. Statements that the applicant has a valid oil and gas lease executed by persons owning at least fifty-one percent of the mineral interest included in the unit or attributed thereto, exclusive of streets and alleys, subject, however, to the provisions of the zoning ordinances relating to drilling of wells;

3. Statements that the lease provide or is accompanied by an agreement in writing providing substantially as follows: that a royalty of at least one-eighth of the gross production of the well shall be distributed to the respective owners of the minerals rights within the unit pro rata;

4. Statements that any lease with any governmental subdivision of the state, quasi-municipal corporation, public agency, or other entity as defined in K.S.A. 55-211a, or any amendments thereto, contains a provision for spacing of producing wells in accordance with rules and regulations of the Kansas Corporation Commission;

5. Agreements or statements showing reasonable and adequate plans for the handling and disposal, in accordance with all applicable state laws and city ordinances, of all drilling fluids, basic sediment, brines and other deleterious substances and wastes that may be produced in connection with the drilling and operation of the proposed well;

6. Plans and drawings showing the facilities for the handling or storing of production of the proposed well;

7. Statements of agreement that in the event the well is either non-productive or abandoned, within sixty days after the determination thereof, that all tools, equipment, and machinery used in connection with the drilling of the well shall be removed, and that the premises shall be fully restored to their original condition as soon as practicable and in no case more than sixty days after such determination;

8. Statements of agreement that if such well is productive, only the tools, machinery, structures and equipment necessary for the operation thereof shall be maintained at such well and that the premises surrounding the same shall be restored to their original condition as nearly as practicable and within sixty days after completion of the well;

9. Statements of agreement that all drilling wastes shall be removed from storage facilities within thirty days of completion of the well.

All of the preceding information and evidence shall be in a form satisfactory to the superintendent of central inspection and shall be in addition to information required for a special permit by Section 28.04.181-3. (Ord. No. 37-873, § 7.)

25.04.070 Permits - Duration. The permits authorized by this chapter shall be valid only in the event and for so long as the permittee shall faithfully comply with the conditions of this chapter, and of the permits authorized in accordance therewith, and only so long as there is production from or other lawful use made of the well. (Ord. No. 37-873, § 8.)

25.04.080 Same - Nonassignable. No permit, authorized by this chapter, shall be assignable or assigned without the approval of the board of commissioners. (Ord. No. 37-873, § 9.)

25.04.090 Authorization to lay pipelines in streets, etc., required. If any applicant or any other party shall desire to lay pipelines in the streets, public grounds, or alleys in the city for transmission of oil or gas or any waste fluid from any well or drilling location within the boundaries of the city, authorization therefor, as provided by law, shall be obtained from the board of commissioners and as a prerequisite to such authorization. The person seeking same shall provide detailed plans and specifications for constructing and maintaining such pipelines and for restoration, so far as practicable, of streets, grounds and alleys, wherever damaged by such construction, to as good condition as existed immediately prior to the damage, which plans and specifications shall be approved by the director of operations and maintenance prior to granting such authorization. (Ord. No. 37-873, § 10.)

25.04.100 Surety bonds required. (a) The applicant shall at the time of filing an application for a drilling permit, submit for approval a corporate surety bond executed by some bonding or surety company authorized to do business in the state, or a personal surety bond, in the amount of one hundred thousand dollars payable to the city, conditioned for the full and faithful compliance with all the terms and provisions of this chapter and the conditions of the permit authorized thereby, and to save and hold the city free and harmless from all suits or damages sustained by the city in the event that any claim for damage or injury is maintained against the city as a result of the activities of the applicant in drilling or operating a well. A copy or certificate of the bond shall be deposited with the city clerk. All such bonds shall be renewed immediately prior to their termination and shall remain in force and be binding upon the principal and surety unless cancelled by giving thirty days' notice in writing to the city clerk, and the surety shall not be liable for any loss after the expiration of thirty days from the date specified in the notice, except for loss occurring while the bond is in full force and effect. Upon the expiration of any such bond, a new bond shall be filed by the principal in such amount as in the case of an original bond.

(b) In the event that any permittee shall have furnished such bond as required for a permit and there shall be no unsatisfied claim upon such bond at the time of the application for a subsequent permit to drill a well, no further bond shall be required for any subsequent permit, but in such event

there shall be endorsed on the bond the identification of the subsequent permit for which the bond is made applicable; provided, that if there shall be an unsatisfied claim against the existing bond at the time of the application for a subsequent permit, the board of commissioners, at its discretion, may require an additional bond in the aforesaid amount or any lesser amount as may be determined.

(c) The amount of the surety bond heretofore may be reduced to ten thousand dollars from and after the completion of any well upon filing a new or amended bond conditioned and approved as in the case of the original bond, except for the amount. Such bond shall be renewed and filed during the continued operation of the well and for a period of six months thereafter or until the premises have been cleared of obstructions and restored to their original condition as required by this chapter. (Ord. No. 37-873, § 11.)

25.04.110 Indemnity or casualty insurance required. The applicant for a drilling permit shall submit a policy of indemnity or casualty insurance, issued by some responsible insurance company authorized to do business in the state, and naming the city as coinsured, insuring against injuries, loss or damage for which the applicant may be liable as the result of the drilling, operation or maintenance of any well or any structure or machinery appurtenant thereto. Such insurance coverage shall be in the following amounts: five hundred thousand dollars for injury to any one person in any occurrence; five hundred thousand dollars for injury to more than one person in any occurrence; one hundred thousand dollars for loss or damage to property in any one occurrence; and additional excess coverage in the amount of two million dollars.

A copy or certificate of the policy shall be deposited with the city clerk, together with a certificate by the insurance company that such insurance is in force and shall not be cancelled without thirty days' written notice thereof to the city. Such insurance shall be renewed immediately prior to the end of the term thereof and shall be maintained during the entire period of drilling or operation of a well. (Ord. No. 37-873, § 12.)

25.04.120 Drilling units - Establishment; production unit. The board of commissioners shall, from time to time as drilling requirements develop, in connection with the oil and gas well drilling map, determine and establish units for the drilling of wells. Where practicable, in so doing, the board of commissioners shall establish units of forty contiguous acres when allowed by state law and regulation; and provided, that the board of commissioners may waive this requirement as to drilling units of wells permitted or commenced prior to the effective date of this chapter; and provided further, that intervening rights of way, streets and alleys within such units and to the centerline of the same on the perimeter thereof shall be included in determining such acreage. The territory in such units shall be attributed to the well, for the drilling of which a permit may be granted. Each unit shall

be appropriately numbered and the number thereof entered on any drilling permit granted for the unit.

The production unit shall be coterminous with the drilling unit. (Ord. No. 37-873, § 13.)

25.04.130 Same - Location of wells. Each well commenced or drilled in the corporate limits shall, as nearly as practicable, be drilled in the center of a drilling unit, heretofore provided and established, but the board of commissioners at the time of granting a special permit may authorize such variation therefrom as may be deemed necessary depending upon the location of streets, alleys, residences and other buildings relative to the proposed drill site, geographical and topographical factors, and the size and shape of the unit and available attributable areas; provided, however, that the well location shall otherwise be in accordance with the provisions of Section 28.04.181-3. The approved location of the well shall be described in the permit. (Ord. No. 37-873, § 14.)

25.04.140 Applicability of state laws and regulations. Unless otherwise set forth specifically by city ordinance, all wells shall be spaced, located, drilled, operated, and maintained in accordance with applicable state laws and regulations. (Ord. No. 37-873, § 15.)

25.04.150 Specific drilling and production regulations. The issuance and continued validity of a permit and the authorization for the drilling or operation of a well, authorized thereby, shall be conditioned upon compliance by the permittee with the following rules and regulations and any departure therefrom shall constitute a violation of this chapter:

(1) The surface pipe must be run and set at least ten feet into the Wellington Shale and in no event less than three hundred feet into the ground.

(2) The surface pipe must be solidly cemented from top to bottom on the outside of the pipe.

(3) Adequate precautions shall be taken and necessary well head safety devices be used at all times during the drilling and completion of the well; and all drill stem tests shall be reverse circulated to confine fluids to pits in accordance with the most acceptable practices.

(4) Locations and equipment shall at all times during drilling operations be fenced by either a temporary portable type snow fencing at least four feet high or other fencing equally acceptable.

(5) Upon completion of a well the pumping unit, tank battery and other permanent production equipment shall be enclosed in accordance with the special permit approved by the board of commissioners.

(6) All drilling fluids shall be contained in portable tanks at the drilling site.

(7) All waters produced from any well shall be disposed of underground

in accordance with regulations of the Kansas Corporation Commission or the state board of health.

(8) At no time shall fluids of any kind be run into or stored in earthen pits. No saltwater or other waste fluids shall be disposed of in waterways or the sanitary sewer system unless approved by the director of health and the director of water and water pollution control.

(9) All pumping units shall be set on a steel or concrete base and the surface of the ground around the well shall be graded to surrounding ground.

(10) All pumping units must be electrically driven and equipped with belt safety guards.

(11) All oil separator, petroleum and brine storage tanks shall be covered. No gas, odors, fumes from any storage tank, oil separator or casing head shall be vented into the open air without being filtered through a pollution control device containing activated carbon. Such devices shall be maintained on a scheduled basis to maintain their effectiveness. Burning of gases or fumes by use of flares from wells or storage facilities is not allowable without a specific permit from the environmental health director.

(12) All storage tanks shall be located within a diked area not less than two feet in height covering an area sufficient to contain and hold one and one-half times the entire liquid capacity of all tanks therein. Rainwater or other fluids shall not be allowed to accumulate within the dikes and shall be removed periodically. Unless tested and approved for disposal by sanitary sewer, the fluids shall be considered as contaminated and disposed of in accordance with regulations of the Kansas Corporation Commission or the state board of health.

(13) All production equipment, structures and premises shall at all times be maintained and kept in a clean, sanitary and tidy condition; and all structures shall be of incombustible materials.

(14) Storage tanks shall be equipped with automatic shut-off devices linked to the fluid level in the tank to prevent overfilling and spillage. In addition, a single overflow tank shall be provided to contain the overflow from the oil or brine storage tanks in the event that the shut-off devices fail. The capacity of the overflow tank shall be sufficient to hold twenty-four hours' production from the well or wells.

(15) The owners and operators of drilling, pumping or storage equipment shall be responsible for the immediate clean-up and disposal of any spillage of oil or brine at the well site.

(16) All wells shall be equipped with a blowout prevention device of the double ram type. (Ord. No. 37-873, § 16.)

**25.04.160 Additional requirements by board of commissioners.** At the time of granting any permit, under the provisions of this chapter, the board of commissioners may make requirements, in addition to those contained therein, as may be reasonably necessary for protection of persons and property in the city. (Ord. No. 37-873, § 17.)

**25.04.170 Licenses.** (a) A license fee is levied upon the owner or operator of every completed and operated well in the corporate limits in the following amounts:

(1) Producing oil or gas wells ..... \$150.00  
(2) Salt water disposal wells ..... 75.00.

Such fees shall be paid to the city license collector within not more than twenty days after completion of any well. The license collector shall thereupon issue a license which shall be valid for a period of twelve calendar months from and after the completion date of such well. The license shall not be transferable nor prorated for any unused period. The fees so paid shall be deposited in the city treasury to the credit of the general operating fund and budgeted for the payment of the costs of administration of this chapter.

(b) The license herein required shall be renewed annually and the fee therefor paid at twelve month intervals from the date of the first license and until the operation of any well so licensed shall be discontinued, the well abandoned, and the premises cleared as provided in this chapter. (Ord. No. 37-873, § 18.)

**25.04.180 Well inspection; duties.** It shall be the duty of the central inspection division to inspect wells and drillline sites and to otherwise generally administer and enforce, in conjunction with other concerned departments of the city, the provisions of this chapter on drilling and operation of wells in the city. (Ord. No. 37-873, § 19.)

**25.04.190 Preparation and supplying applications, permits, notices, etc.** The central inspection division may prepare and supply such applications, permits, notices, licenses and other forms as may be required by this chapter and upon request supply copies of this chapter to applicants for any permit or license. (Ord. No. 37-873, § 20.)

**25.04.200 Revocation of permits, licenses or other authorizations.** Upon any substantial violation of the conditions of any permit, license, authorization or of any provisions of this chapter, the board of commissioners may, upon a hearing after five days' written notice by mail or personal service, to the permittee or licensee, or if the address of the permittee or licensee is unknown and the permittee or licensee cannot be found in the city, after the expiration of five days from the date of publication of notice of any such hearing in a newspaper authorized to publish legal notices in the city, revoke such permit, license or authorization; provided, however, that if in the judgment of the board of commissioners restitution is made for any damage occasioned by such violation together with adequate provisions to prevent any further violations by such permittee or licensee, the board of commissioners may waive revocation of any permit or license, but the same shall not affect any penalty otherwise provided for the violation of this chapter. (Ord. No. 37-873, § 21.)

OIL AND GAS WELLS 25.04.210-25.04.240

**25.04.210** Notices required to be given superintendent of central inspection. It shall be the duty of every permittee or licensee, as the case may be, to give the superintendent of central inspection notice of the commencement of any drilling of a well, the setting and cementing of the surface casing of any well and of the beginning of other stages of the drilling or operation or abandonment of any well, as may be required by regulations to be approved by the superintendent of central inspection. The date of completion or abandonment of any well and pertinent information shall be entered of record. (Ord. No. 37-873, § 22.)

**25.04.220** Use of abandoned well. All abandoned wells which shall not be used and equipped for disposal purposes, shall be filled and plugged in accordance with applicable rules of the agencies of the state having jurisdiction thereof. (Ord. No. 37-873, § 23.)

**25.04.230** Orders to stop work. The inspectors of the central inspection division shall be authorized to order any work stopped or corrected which shall not conform to the conditions required by this chapter. A copy of such order shall be filed with the well permit and preserved as a permanent record open to public inspection. (Ord. No. 37-873, § 24.)

**25.04.240** Same - Appeals. Any person aggrieved by any inspection order to stop or correct any work may forthwith appeal to the superintendent of central inspection for a hearing and determination of the matter complained of; and may, within ten days from the decision of the superintendent, file an appeal in writing with the city clerk to be submitted to the board of commissioners at its next meeting for a hearing and a determination thereof. The decision of the board of commissioners shall be final and conclusive. (Ord. No. 37-873, § 25.)

DRAFT

WICHITA-SEDGWICK COUNTY  
WICHITA-SEDGWICK COUNTY

October <sup>12</sup> 22, 1984

METROPOLITAN AREA PLANNING DEPARTMENT  
METROPOLITAN-AREA-PLANNING-DEPARTMENT

TO: E. H. Denton, City Manager  
FROM: Robert A. Lakin, Director of Planning

SUBJECT: DR 84-15: Special Permit - To Reopen Existing Oil Wells

This office has recently received a request from Magnum Resources, Inc. to reopen, and place into production, five oil wells that have recently been plugged by Gulf Oil. This will also include the conversion of an additional well into a salt water disposal well. A copy of the request, including a location map, is attached. *letter*

Please place this item on the agenda for consideration by the City Commission at the meeting of October 30, 1984.

BACKGROUND:

~~A copy of the letter from Magnum Resources, Inc. is attached for your information. As stated in the letter, this is proposed for the reopening of six existing wells for the production of oil. One well is to be converted to a disposal well and at that location a tank battery will be installed. A copy of the approval by the Kansas Department of~~  
*it is intended to*  
*the*

E. H. Denton  
Page 2  
October 22, 1984

Health and Environment for the disposal well is attached. A copy of Title 25 is also included for your information.

This request is being forwarded to the City Commission as a request for a special permit as set forth in Section 28.04.181.3 of the zoning ordinance. It should be noted, however, that this section of the code refers <sup>only</sup> to the drilling and operation of new wells.

In the discussion of this request with representatives of the Law Department, Central Inspection and the Planning Department, it was the determination that these were not new wells, but would be <sup>reopening</sup> ~~placed~~ existing wells <sup>for</sup> ~~into~~ production. It was further agreed that it would be necessary for the Board of City Commissioners to approve the transfer or assignment of these wells to a new company as required by Section 25.05.080 of the city code. Any approval should be subject to compliance with all applicable provisions of the code, including casualty insurance. RECOMMENDATIONS:

It is recommended that any approval for the reopening of the existing wells should be subject to the following conditions:

1. The applicant should provide a certificate of Insurance to the City Clerk as set forth in Section 25.04.110 of the code.
2. The applicant shall comply with Sections 25.04.140 and 25.04.150 for the operation of the wells.

E. H. Denton  
Page 3  
October 22, 1984

3. Prior to the <sup>re</sup>opening of any existing well, the applicant shall make application and pay for a license for the operation of each well as required by Section 25.04.170 of the code.
4. No new wells shall be drilled under the provisions of this permit.
5. The applicant shall submit a detailed layout of the tank farm area, including cross section of the dikes, to the Superintendent of Central Inspection for review and approval by Central Inspection and the Fire Department. The location of the tank farm shall be located on the property so that the disposal well will be located in the southeast corner of the diked area. This will place the tank farm the furthest distance from the residential areas as possible.
6. All wells and the tank farm shall be fenced with a 6-foot chain link fence and topped with not less than 3 strands of barbed wire.

ACTION:

1. Concur in the recommendation and authorize the special permit subject to the conditions set forth above; or
2. Deny the request.

E. H. Denton  
Page 4  
October 22, 1984

Robert A. Lakin Director of Planning

RAL:GL:blw

cc: John Dekker, Director of Law

Don Anderson, Director of Housing and Economic Development

Robert B. Feldner, Superintendent of Central Inspection

Gene Brown, Deputy Treasurer

Mike Everhardt, Director of Environmental Health

Jim Sparr, Fire Chief

*GARY LABUE, MAGNUM ROSENBERG, INC, 1108 Billing, W.K. 17003*

Main  
Feldman  
Hilbert  
Lyth

10-17-84

Jack Brown

Memorandum to City Council

Spec. point

Re: Future wells -

reopen -

Let Alderman

Dikeman

Mosier

Everhardt

re kept

# MAGNUM RESOURCES, INC.

OIL & GAS PRODUCERS  
1108 BITTING STREET, WICHITA, KANSAS 67203  
316 / 263-8861

October 15, 1984

Mr. Robert A. Lakin  
Director MAPD  
Wichita, Kansas

Dear Bob,

In talking with John Galbraith last week concerning the oil & gas lease Magnum currently holds on the Tjaden properties, John suggested that we supply you with a plat and letter outlining our objectives.

The property under lease is all located in the NW $\frac{1}{4}$  of 3-27-1E and includes the following plots: s $\frac{1}{2}$ -SW $\frac{1}{4}$ -NW $\frac{1}{4}$  excluding the east 165', N $\frac{1}{2}$ -SW $\frac{1}{4}$ -NW $\frac{1}{4}$ , NW $\frac{1}{4}$ -SE $\frac{1}{4}$ -NW $\frac{1}{4}$ , and the N $\frac{1}{2}$ -NW $\frac{1}{4}$ .

There were six producing wells on the lease block that were plugged by Gulf Oil in June of 1984. There was a seventh well to the northeast of the Jade D-1 that was a directional well which ended up approximately 600' to the east under the Ridgecrest Second Addition but we have no plans of opening up this well and have not even tried to lease it.

These wells still have the production casing intact with a plug set above the zone of interest. We propose to convert the Jade D-1, which is located 325' north of 26th St. and 375' west of Madison Avenue into a salt water disposal well. The landowners have agreed to unitize the aforementioned leases so we will set one tank battery to handle the whole block at the D-1 location. This facility will be approximately 60' X 100' and be enclosed by a six foot chain link fence topped with three strand barb wire. Along the inside perimeter of the fence a two foot high dike will be constructed of earth and rock. The tank battery will consist of four 200 barrel oil tanks, a separator and two 200 barrel water tanks. All tanks will be the closed top type in accordance with code.

After the work on the disposal well is completed, we plan to remove the plugs from the E-1 located 287' west of Minnesota Avenue and 460' north of 25th St., and the D-2 which is approximately 335' northwest of the corner of 26th and Minnesota. The pumping units for these wells will be enclosed with six foot chain link fences topped with three strand barb wire and measure 15' X 60'.

When the work is completed on this first phase we expect to produce the E-1 and D-2 for approximately six months and then commence work on the second phase. This would consist of removing the plugs and setting pumping units and fences on the C-3, B-3, and the B-4 in the same manner as the D-2 and E-1.

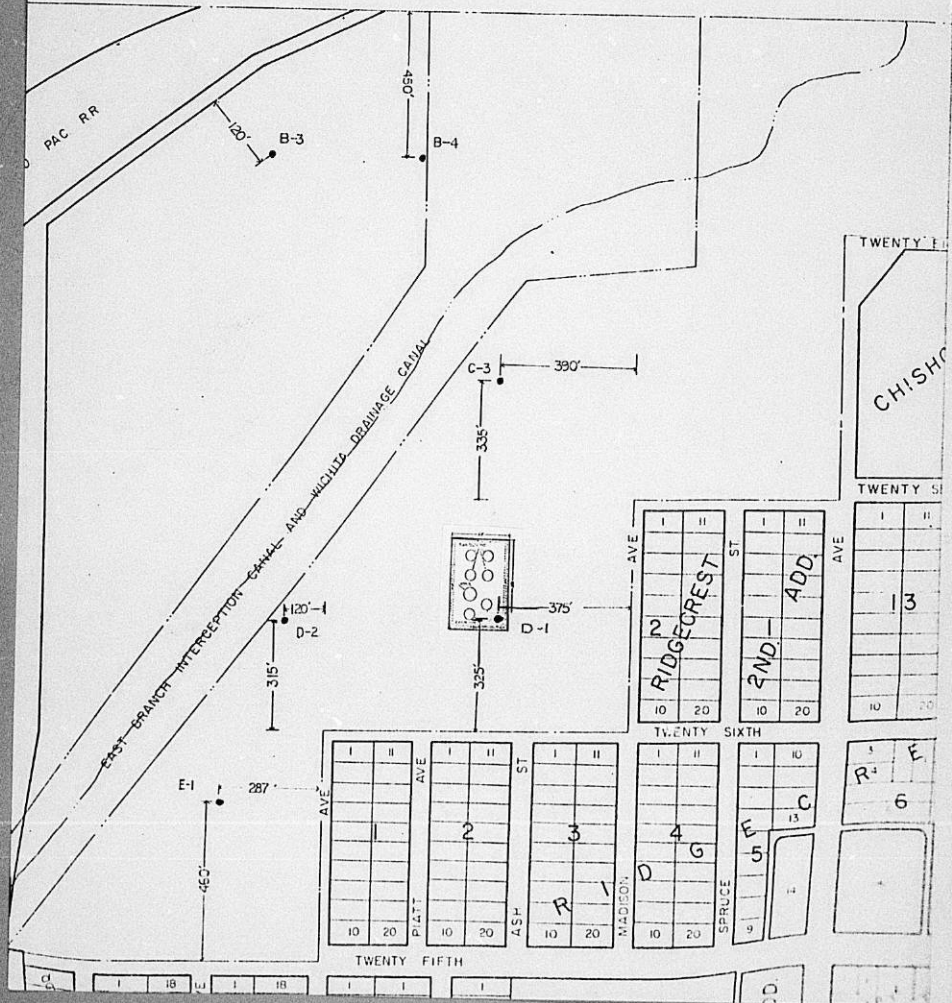
Actually when we finish setting up this project it will contain four less tank battery locations and two less pumping units than what Gulf Oil used when operating the same leases. I hope this overview will be helpful to you as you evaluate our project and if you have any questions please call me.

Thank you.

Respectfully,

*Gary B. LaRue*  
Gary B. LaRue  
Vice-President

# LOCATION MAP





State of Kansas



JOHN CARLIN  
MICHAEL LENNIEN  
R. C. (PETE) LOUX  
KEITH R. HENLEY  
JUDITH MCCONNELL  
BRIAN J. MOLINE

Governor  
Chairman  
Commissioner  
Commissioner  
Executive Secretary  
General Counsel

State Corporation Commission

CONSERVATION DIVISION

(Oil, Gas and Water)  
200 Colorado Derby Building  
202 West 1st Street  
WICHITA, KANSAS 67202-1286

July 23, 1984

Magnum Resources, Inc.  
1108 Bitting St.  
Wichita, Kansas 67203

Re: SW Disposal well application  
Jade D #1, 3-27-1E, Sedgwick Co.

Gentlemen:

We have reviewed your application for "design approval" of the above cited saltwater disposal well. We believe that the design as presented is satisfactory. This application has been reviewed in our technical section and by the KDHE Geologist attached here. The application still needs reviewed by KDHE/Topeka staff. I am advising you of our acceptance because there could possibly be 3 weeks delay in processing due to vacation leaves of staff in both agencies. I do not anticipate any problem with the design you request. Please advise both agencies of construction details including final TD upon completion. After completion, you will need a MIT (casing integrity test). Coordinate with the joint district office in Wichita for the MIT.

Sincerely,

A handwritten signature in cursive script that reads "Jim Schoof".  
Jim Schoof  
Chief Engineer

JS/ljs

State of Kansas . . . John Carlin, Governor

DEPARTMENT OF HEALTH AND ENVIRONMENT

Barbara J. Sabol, Secretary

Forbes Field  
Topeka, Kansas 66620  
913-862-9300



August 27, 1984

Mr. Gary LaRue  
Magnum Resources, Inc.  
1108 Bitting Street  
Wichita, Kansas 67203

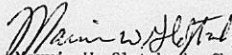
Re: D 23,364

Dear Mr. LaRue:

We approve of the design of well No. 1 on your Jade D Lease located in Sec. 3-27-1E, Sedgwick County, Kansas, as an Arbuckle Formation disposal well.

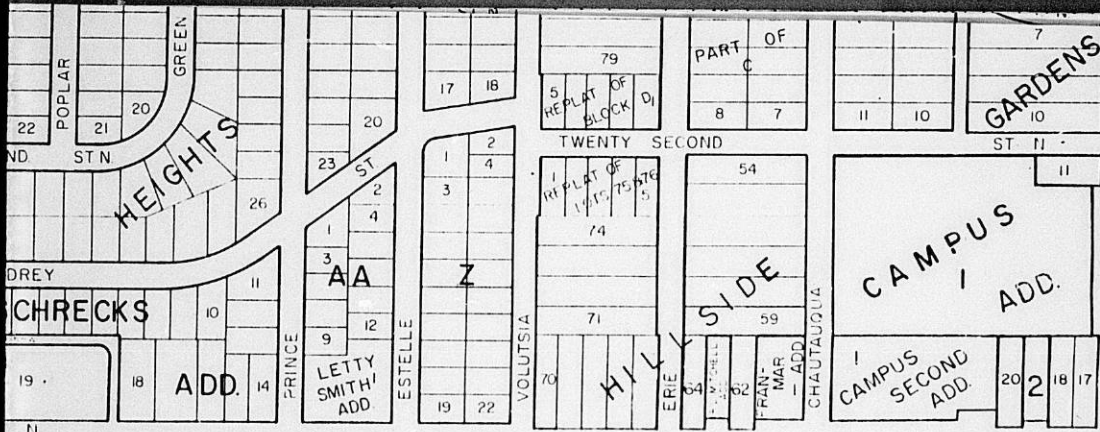
When you have completed the well, please notify this office of the correct depths and the rest of the cementing data. At that time, we will finish our processing of this application and forward it to the Corporation Commission in Wichita.

Sincerely yours,

  
Marvin W. Glotzbach, Chief  
Oil Field Pollution  
Control Section

MWG:sc

cc: Jim Schoof  
Ralph O'Connor



DR 84-15

ING COMMISSION

THE PREPARATION OF THIS MAP WAS FINANCIALLY AIDED THROUGH A FEDERAL GRANT FROM THE URBAN RENEWAL ADMINISTRATION OF THE HOUSING AND HOME FINANCE AGENCY, UNDER THE URBAN PLANNING ASSISTANCE PROGRAM AUTHORIZED BY SECTION 701 OF THE HOUSING ACT OF 1954 AS AMENDED.

56 50

S AND K O TAYLOR-CIVIL ENGINEER

S 3 T 27 S R 1 E