

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

IN THE MATTER OF THE APPLICATION	)	DOCKET NO. 26-CONS- <u>3139</u> -CEXC
OF MERIT ENERGY COMPANY, LLC,	)	
FOR AN EXCEPTION TO THE 10-YEAR	)	
TIME LIMITATION OF K.A.R. 82-3-111	)	CONSERVATION DIVISION
FOR ITS BLOUT 2-5 WELL IN THE EAST	)	
HALF OF THE EAST HALF OF THE	)	
NORTHWEST QUARTER OF THE	)	LICENSE NO. 32446
SOUTHEAST QUARTER OF SECTION 5,	)	
TOWNSHIP 33 SOUTH, RANGE 42	)	
WEST, MORTON COUNTY, KANSAS.	)	
_____	)	

**APPLICATION**

COMES NOW, Merit Energy Company ("Merit"), by and through its attorney, Zach K. Wiggins, and in support of its Application in the above captioned matter states as follows:

1. Merit is authorized to do business in the State of Kansas, and has a street address of 13727 Noel Road, Suite 1200, Dallas, Texas, 75240.
2. The Kansas Corporation Commission has issued Merit operator's license 32446, which expires on May 30, 2026.
3. Merit is the owner and operator of the Blout 2-5 well, which is located in the East Half of the East Half of the Northwest Quarter of the Southeast Quarter of Section 5, Township 33 South, Range 42 West, Morton County, Kansas, API # 15-129-21664-00-00. The subject well is located on an active oil and gas lease or unit comprising the following lands:

Southeast Quarter of Section 5, Township 33 South, Range  
42 West, Morton County, Kansas.

4. The Blout 2-5 was originally perforated in the Morrow Formation but was shut-in due to decline in production.

5. Pursuant to K.A.R. 82-3-111, Merit sought and obtained temporary abandonment status for said well on or about September 29, 2015.

6. On or about October 2, 2025, the Kansas Corporation Commission notified Merit of the KCC's denial of renewal of temporary abandonment status for the well due to the limitation period of ten (10) years imposed by K.A.R. 82-3-111.

7. K.A.R. 82-3-111 imposes a 10-year limitation on the amount of time during which wells may be temporarily abandoned, but an exception to the 10-year limitation may be obtained pursuant to said regulation through an Application filed with the Commission pursuant to K.A.R. 82-3-100. Applicant seeks such an exception.

8. Merit wishes to continue temporary abandonment status for the subject well because Merit intends to use the well as part of an enhanced oil recovery project. Merit is currently evaluating the enhanced oil recovery project which looks to have potential in the existing formation. The Blout 1-5 and 2-5 wells were drilled in 2002 and produced 167 BOPD combined in their first full month of production together. Production declined and plateaued at 5 BOPD in 2006. The Hanke 2-5 and Hentschel B-2 are two offset wells that are currently producing a combined 4 BOPD from the Morrow formation. The EOR project of the East Mustang Unit will have 5 producing wells, 3 injection wells and 1 water supply well. All of these will be reactivations of existing temporarily abandoned wells. The Blout 2-5 well is planned as a producing well reactivation. The water flood targets the Morrow L-2 sandstone, which is the existing zone in each of the wells. Cum Morrow production to date is ~338 MBO with waterflood

response anticipated to add ~330 MBO of reserves. This is an S/P =1. This waterflood unitization has been approved by the KCC.

9. On October 24, 2025, the subject well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within fifty (50) feet above the uppermost perforations.

10. There are 5 wells on the lease including 1 active well and 4 temporarily abandoned wells. It would cost an estimated One Hundred Seventy-Five Thousand Dollars (\$175,000.00) to plug this well and the remaining wells on the lease. A current production rate for the lease is 55 mcf/d. A basic estimation of remaining reserves 330 MBO. In order to reactivate the Blout 2-5 well as part of an EOR project, it would cost approximately Fifty Hundred Thousand Dollars (\$50,000.00) based on current prices. It would cost an estimate of Nine Hundred Thousand Dollars (\$900,000.00) based on current prices to drill and complete a replacement well.

11. Merit has included a plat map, attached as Exhibit A, showing the locations of all producing, injection, temporarily abandoned, abandoned and plugged wells located on the same lease premises as the subject well.

12. Based on the foregoing, Merit requests the Commission grant an exception to the 10-year limitation, specifically to allow the Blout 2-5 well to remain eligible for temporary abandonment status for three (3) years following the expiration of 10-year limitation. Merit understands that the exception would be valid for three (3) years, but Merit would still need to apply annually to the Conservation Division District Office for approval of an Application for temporary abandonment status.

13. Listed in attached Exhibit B are the names and addresses of the following persons:

- A. Each operator of each oil and gas lease covering lands within one-half (1/2) mile radius of the subject well; and
- B. Each person who owns any mineral interest of record in and under any lands located within one-half (1/2) mile radius of the subject well if unleased.

14. That the Applicant has sent by regular mail a copy of this Application and Notice of Pending Application to all persons listed on the attached Exhibit B.

15. Notice of this Application will be published pursuant to K.A.R. 82-3-135a.

16. WHEREFORE, Merit prays that this matter be granted administratively without a hearing, or in the alternative be set for hearing, and upon hearing that the Commission grant Merit's request for an exception to the K.A.R. 82-3-111 10-year limitation, to allow the subject well to remain temporarily abandoned for three (3) years, subject to annual approval by the Conservation Division District Office of an application for temporary abandonment status.

Respectfully submitted,

MARTIN, PRINGLE, OLIVER, WALLACE  
& BAUER, L.L.P.

By 

\_\_\_\_\_  
Zach K. Wiggins  
645 East Douglas, Suite 100  
Wichita, KS 67202  
(316) 265-9311  
*Attorney for Merit Energy Company*

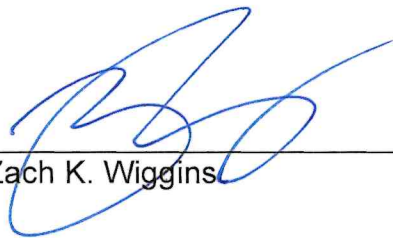


VERIFICATION

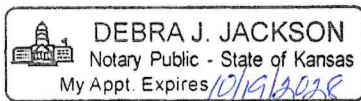
STATE OF KANSAS            )  
  ) ss:  
COUNTY OF SEDGWICK )

Zach K. Wiggins, of lawful age, being first duly sworn, upon oath states:

That he is the attorney for Merit Energy Company, applicant herein; that he has read the above and foregoing Application of Merit Energy Company and is familiar with the contents thereof; and, that the statements made therein are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Zach K. Wiggins

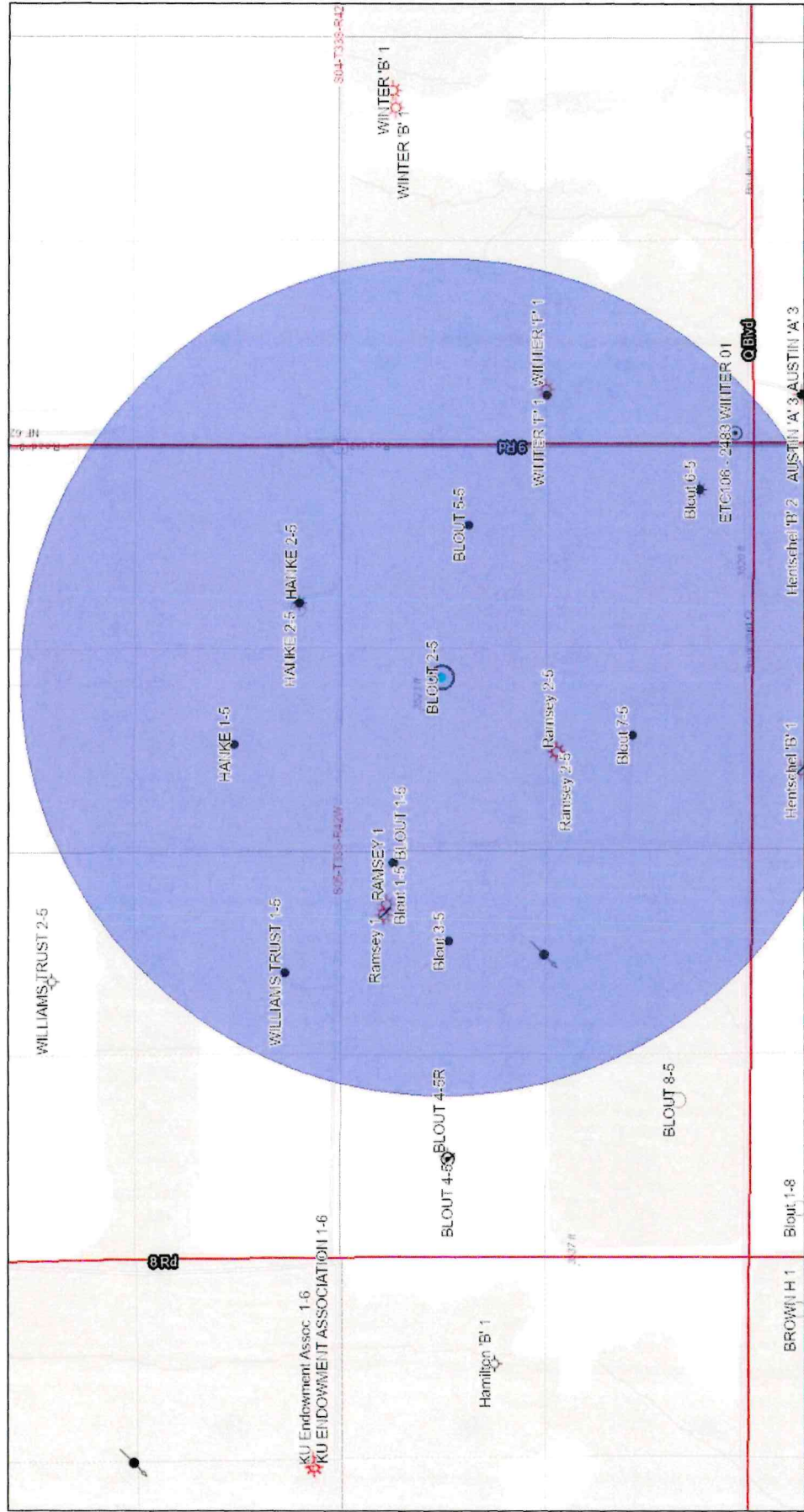
SUBSCRIBED AND SWORN to before me this 5th day of November, 2025.



  
\_\_\_\_\_  
Notary Public

My Appointment Expires:  
10/19/2028

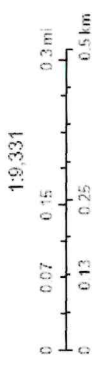
# Blout 2-5 1/2 Mile Radius



10/29/2025, 3:19:40 PM

Oil and Gas Wells

- Oil and Gas Wells
- Dry and Abandoned
- Enhanced Oil Recovery
- Gas
- Gas, Plugged-Abandoned
- Gas, Plugged-Abandoned
- Location
- Oil and Gas
- Oil
- Other
- Other, Plugged-Abandoned
- Citations



Bureau of Land Management, East HERE, Canyon, HUGO, P. 10/29/2025, 3:19:40 PM, USA

**EXHIBIT B**

None

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OF THE STATE OF KANSAS**

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TOWNSHIP 33 SOUTH, RANGE 42	)	
WEST, MORTON COUNTY, KANSAS.	)	
_____	)	

**NOTICE OF PENDING APPLICATION**

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

TO: ALL OIL AND GAS PRODUCERS, UNLEASED MINERAL INTEREST OWNERS, LANDOWNERS, AND ALL PERSONS WHOMSOEVER CONCERNED:

YOU, and each of you, are hereby notified that Merit Energy Company has filed an Application for an exception to the ten-year time limitation of K.A.R. 82-3-111 for the Blout 2-5 well, located in the East Half of the East Half of the Northwest Quarter of the Southeast Quarter of Section 5, Township 33 South, Range 42 West, Morton County, Kansas, API # 15-129-21664-00-00.

YOU are further notified that unless written protest is received by the State Corporation Commission within fifteen (15) days after publication of this Notice, the Application in this matter can be granted by administrative approval after said 15 day period. Any such protest should be mailed to the State Corporation Commission of the State of Kansas, Conservation Division, 266 North Main, Suite 220, Wichita, Kansas, 67202, and to the Applicant at the address shown.

All parties in any wise interested or concerned shall take notice of the foregoing and govern themselves accordingly.

Merit Energy Company.  
By: Idania Medina  
Regulatory Analyst  
13727 Noel Road, Suite 1200  
Dallas, Texas 75240  
(972) 628-1446