

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

IN THE MATTER OF THE APPLICATION)	DOCKET NO. 17-CONS- <u>3505</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 MLP PICKENS A-15 WELL IN)	
THE CENTER OF THE NORTHWEST)	
QUARTER OF THE NORTHWEST)	LICENSE NO. 32446
QUARTER OF SECTION 15, TOWNSHIP)	
29 SOUTH, RANGE 34 WEST, HASKELL)	
COUNTY, KANSAS.)	

APPLICATION

COMES NOW, Merit Energy Company ("Merit"), by and through its attorney, Stanford J. Smith, Jr., 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, 2017.
3. Merit is the owner and operator of the MLP Pickens A-15 well, which is located in the Center of the Northwest Quarter of the Northwest Quarter of Section 15, Township 29 South, Range 34 West, Haskell County, Kansas, API # 15-081-20964-00-01. The subject well is located on an active oil and gas lease or unit comprising the following lands:

Northwest Quarter of Section 15, Township 29 South, Range
34 West, Haskell County, Kansas.

4. The MLP Pickens A-15 was completed in the Morrow Formation but was shut-in as uneconomic to produce and operate in a low commodity pricing environment.

5. Pursuant to K.A.R. 82-3-111, Merit sought and obtained temporary abandoned status for said well on or about February 28, 2007.

6. On or about January 31, 2017, 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 provides for an exception to said 10-year limitation upon the filing of an application pursuant to K.A.R. 82-3-100. Merit seeks such an exception for said well.

8. Merit wishes to continue temporary abandonment status for the subject well for the following reasons: It is believed that this well can be returned to production during higher commodity pricing. Looking back at past production and completions, it is believed that the original producing zone, the Morrow, was under stimulated during initial completion and ultimately may have faced damage. This well could produce in paying quantities if re-stimulated. However, the zone is lying below a cast-iron bridge plug and it is believed that this work would be uneconomical in the current commodity pricing environment. Another possibility is future utility as a disposal well. A future drill well is being planned in the vicinity. Should this well be completed in an interval that produces large amounts of water, like the Kansas City, a spare well with utility as a disposal could prove helpful for economics.

9. A Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within fifty (50) feet above the uppermost perforations is pending.

10. In order to reactivate the MLP Pickens A-15 well for its potential intended purpose, the estimated costs are as follows:

a. In order to reactivate the well to the Morrow Formation, it is estimated that it would cost Sixty Thousand Dollars to Ninety-Thousand Dollars (\$60,000.00 - \$90,000.00).

b. If the well was to be set up as a future water disposal well, it is estimated that it would cost approximately Sixty Thousand Dollars (\$60,000.00) plus any facility/flowline costs.

It would cost an estimate of Five Hundred Thousand Dollars (\$500,000.00) based on current prices to drill and complete a replacement Morrow 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 MLP Pickens A-15 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. Notice of this Application will be published pursuant to K.A.R. 82-3-135a.

15. 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.

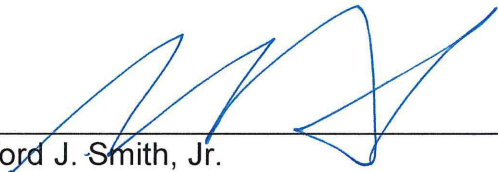
By 
Stanford J. Smith, Jr.
100 North Broadway, Suite 500
Wichita, KS 67202
(316) 265-9311
Attorney for Merit Energy Company

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

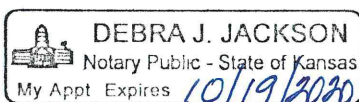
STANFORD J. SMITH, JR., of lawful age, being first duly sworn, upon oath states:

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.



Stanford J. Smith, Jr.

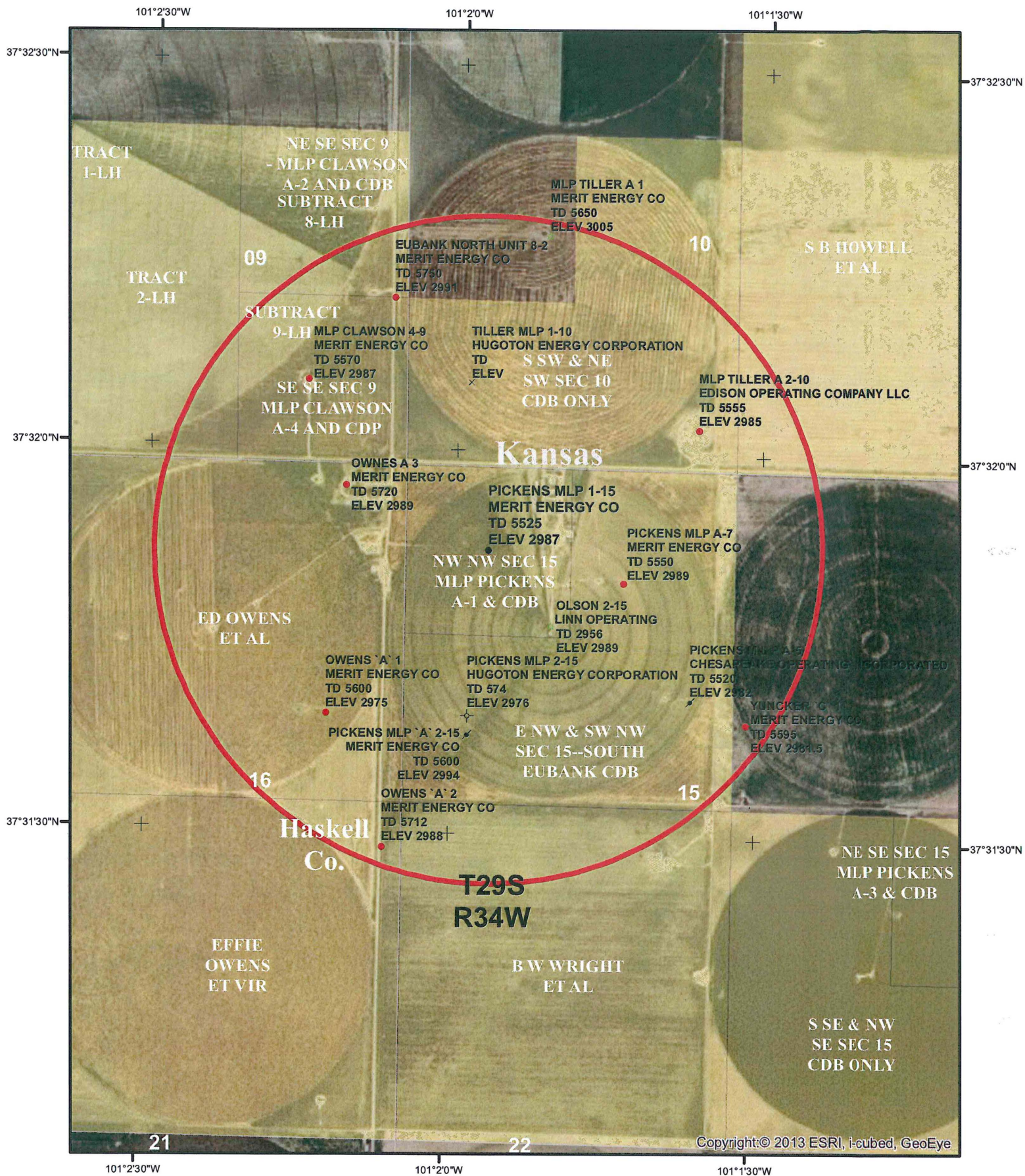
SUBSCRIBED and sworn to before me this 28th day of February, 2017.





Notary Public

My Appointment Expires:
10/19/2020



<ul style="list-style-type: none"> × AB-LOC ⌘ ABD-OW ⊕ D&A 	<ul style="list-style-type: none"> ★ GAS; GAS-WO ● OIL; OIL-WO
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HALF MILE BUFFER

MERIT LEASEHOLD

0

500

1,000 Feet

EXHIBIT A

MERIT ENERGY COMPANY

MLP PICKENS 1-15

with

1/2 MILE BUFFER

Map by: Richard Norzagaray
Haskell Co, Kansas
Date: FEBRUARY 22, 2017
Coordinate System: NAD 83 UTM 16Q UTM 16Q UTM 16Q

EXHIBIT B

Linn Operating, Inc.
600 Travis, Suite 5100
Houston, TX 77002

Edison Operating Company LLC
8100 East 22nd Street North, Building 19
Wichita, KS 67226

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Merit Energy Company.
By: Regulatory Analyst
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