

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the matter of the failure of Merit Energy) Docket No.: 26-CONS-3102-CPEN
Company, LLC (Operator) to comply with)
K.A.R. 82-3-111 at the SWLVLU #6 and) CONSERVATION DIVISION
SWLVLU #21 in Haskell County, Kansas.)
_____) License No.: 32446

PENALTY ORDER

The Commission finds Operator has violated K.A.R. 82-3-111 regarding the captioned wells, assesses a \$200 penalty, directs Operator to come into compliance, and further rules as more fully described below.

I. JURISDICTION

1. K.S.A. 74-623 provides the Commission exclusive jurisdiction and authority to regulate oil and gas activities in Kansas. K.S.A. 55-152 provides the Commission with jurisdiction to regulate the construction, operation, and abandonment of any well, and also the protection of the usable water of this state from any actual or potential pollution from any well. The Commission has licensing authority under K.S.A. 55-155.

2. K.S.A. 55-162 and K.S.A. 55-164 provide the Commission authority to issue penalty orders for violations of Chapter 55 of the Kansas Statutes Annotated, or of any rule, regulation, or order of the Commission. Under K.S.A. 55-164, a penalty order may include a monetary penalty of up to \$10,000, the penalty must constitute a substantial and actual economic deterrent to the violation, and each day of a continuing violation constitutes a separate violation.

3. K.A.R. 82-3-111 provides that within 90 days after operations cease on any well, the operator of that well shall plug the well, return the well to service, or file an application with

the Conservation Division requesting temporary abandonment (TA) status. If not plugged or returned to service, the operator must obtain TA approval; TA status may be denied by the Conservation Division if necessary to prevent pollution. A well shut-in for 10 years or more cannot be granted TA status without the operator filing an application for an exception pursuant to K.A.R. 82-3-100 and approval from the Commission. K.A.R. 82-3-111(e) provides a TA exemption for certain wells fully equipped and capable of production.

II. FINDINGS OF FACT

4. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the following wells (Subject Wells) located in Section 30, Township 30 South, Range 33 West, Haskell County, Kansas:

- a. SWLVLU #6, API #15-081-21703-00-01; and
- b. SWLVLU #21, API #15-081-21735-00-01.

5. On July 17, 2025, Commission records indicated the Subject Wells had been inactive and unplugged for longer than the 90 days allowed by K.A.R. 82-3-111, that the wells were not exempt pursuant to K.A.R. 82-3-111(e), and that the wells were not approved for TA status. Thus, Commission Staff sent letters to Operator, requiring Operator to bring the Subject Wells into compliance with K.A.R. 82-3-111 by August 16, 2025.¹

6. On September 22, 2025, Commission Staff inspected the Subject Wells, because the deadline in the letters had passed and the violations had not been resolved, verifying that the wells continued to be inactive and unplugged.²

¹ Exhibit A.

² Exhibit B.

III. CONCLUSIONS OF LAW

7. The Commission has jurisdiction over Operator and this matter under K.S.A. 74-623 and K.S.A. 55-152.

8. Operator has committed two violations of K.A.R. 82-3-111 because the Subject Wells have been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for TA status.³

THEREFORE, THE COMMISSION ORDERS:

A. Operator shall pay a \$200 penalty.

B. Operator shall plug the Subject Wells, or return the wells to service, or obtain TA status for the wells if eligible.

C. Commission Staff may require Staff-witnessed static fluid level measurements before a Subject Well is returned to service. A Subject Well may not be returned to service if (1) any measurement has shown fluid in the wellbore at or above the appropriate minimum surface casing requirement described in Table I of the Commission's August 1, 1991, Order in Docket 34,780, (2) any measurement has shown fluid in the wellbore at or above any salt formation or other corrosive formation, or (3) in the opinion of Staff, variation in measurements indicates the possibility of a casing leak. Provided, however, a Subject Well may be returned to service upon (a) passing a casing integrity test after issuance of this Penalty Order to the satisfaction of Staff, or (b) Staff providing written, well-specific authorization after issuance of this Penalty Order.

D. Operator may request a hearing on the above issues by submitting a written request, pursuant to K.S.A. 55-164, K.S.A. 77-537, and K.S.A. 77-542, to the Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202, within 30 days from the date of service of this Order. A request for hearing must comply with K.A.R. 82-1-219.

³ K.S.A. 55-164; K.A.R. 82-3-111(b).

E. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing. If no party timely requests a hearing, then this Order shall become final.

F. If Operator is not in compliance with this Order and the Order is final, then Operator's license shall be suspended without further notice and shall remain suspended until Operator complies. If a Subject Well has been inactive for more than 10 years and Operator applies for an exception to the 10-year limit on TA status for the Subject Well prior to this Order becoming final, and Operator would be in compliance with this Order if the application were approved, then suspension shall not be enforced unless: (1) the application is denied, and (2) 30 days have elapsed since the denial. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding license suspension.

G. A party may petition for reconsideration of a final order pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁴

H. Credit card payments may be made by calling the Conservation Division at 316-337-6200. Checks and money orders shall be payable to the Kansas Corporation Commission. Payments shall be mailed to the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202. Payments must reference the docket number of this proceeding.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 10/07/2025



Celeste Chaney-Tucker
Executive Director

Mailed Date: 10/07/2025

KAM

⁴ See K.S.A. 55-162; K.S.A. 55-164; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

Conservation Division
District Office No. 1
210 E. Frontview, Suite A
Dodge City, KS 67801



Phone: 620-682-7933
<http://kcc.ks.gov/>

Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

Laura Kelly, Governor

07/17/2025

Idania Medina
Merit Energy Company, LLC
13727 NOEL RD STE 1200
DALLAS, TX 75240

Re: Temporary Abandonment
API 15-081-21703-00-01
SWLVLU 6
SW/4 Sec.30-30S-33W
Haskell County, Kansas

Dear Idania Medina:

Your application for Temporary Abandonment (TA) for the above-listed well is denied for the following reasons(s):

Shut-in Over 10 years

Pursuant to K.A.R. 82-3-111, the well must be plugged, or returned to service, or obtain temporary abandonment status by 08/16/2025.

This deadline does NOT override any compliance deadline given to you in any Commission Order.

You may contact me if you have any questions.

Sincerely,
Michael Maier
KCC DISTRICT 1

Conservation Division
District Office No. 1
210 E. Frontview, Suite A
Dodge City, KS 67801



Phone: 620-682-7933
<http://kcc.ks.gov/>

Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

Laura Kelly, Governor

07/17/2025

Idania Medina
Merit Energy Company, LLC
13727 Noel Road, Suite 1200
Dallas, TX 75240

Re: Temporary Abandonment
API 15-081-21735-00-01
SWLVLU 21
NW/4 Sec.30-30S-33W
Haskell County, Kansas

Dear Idania Medina:

Your application for Temporary Abandonment (TA) for the above-listed well is denied for the following reasons(s):

Shut-in Over 10 years

Pursuant to K.A.R. 82-3-111, the well must be plugged, or returned to service, or obtain temporary abandonment status by 08/16/2025.

This deadline does NOT override any compliance deadline given to you in any Commission Order.

You may contact me if you have any questions.

Sincerely,
Michael Maier
KCC DISTRICT 1

KCC OIL/GAS REGULATORY OFFICES

Date: 09/22/25

District: D1

Case #: _____

- ☐ New Situation
☒ Response to Request
☐ Follow-Up

- ☒ Lease Inspection
☐ Complaint
☐ Field Report

Operator License No: 32446
Op Name: Merit Energy Company LLC
Address 1: 13727 Noel Road Suite 1200
Address 2: _____
City: Dallas
State: Tx Zip Code: 75240 -7362
Operator Phone #: (972) 628-1660

API Well Number: 15-081-21703-00-01
Spot: SE-SE-NW-SW Sec 30 Twp 30 S Rng 33 ☐ E / ☒ W
1590 Feet from ☐ N / ☒ S Line of Section
4251 Feet from ☒ E / ☐ W Line of Section
GPS: Lat: 37.40669 Long: 100.97659 Date: 9/22/25
Lease Name: SWLVLU Well #: 6
County: Haskell

Reason for Investigation:

Check for legal

Problem:

Well was denied a TA and has a dead line of 08/16/2025

Persons Contacted:

None

Findings:

6: Is an inactive oil well with no production equipment on location. All wellhead valves are closed and no flow lines are connected to the well. There is no road to this well and no sign of anyone being at this well in several months.

No leaks or spills.

Action/Recommendations:

Follow Up Required ☒ Yes ☐ No ☐

Date: 11/24/25

Unsatisfactory, send penalty letter for failure to file CP-111.

Verification Sources:

Photos Taken: _____

- ☒ RBDMS ☒ KGS ☐ TA Program
☐ T-I Database ☐ District Files ☐ Courthouse
☒ Other: On site inspection

By: _____

Max Ball

Retain 1 Copy District Office
Send 1 Copy to Conservation Division

Form: _____



Date: 09/22/2025.

Operator: Merit Energy Company LLC.

Lease Name: SWLVLU # 6.

Legals: SE-SE-NW-SW section 30-30s-33w Haskell County.

Description: Wellhead showing closed valve and no flow lines connected to the well.

KCC OIL/GAS REGULATORY OFFICES

Date: 09/22/25

District: D1

Case #: _____

☐ New Situation

☒ Lease Inspection

☒ Response to Request

☐ Complaint

☐ Follow-Up

☐ Field Report

Operator License No: 32446

API Well Number: 15-081-21735-00-01

Op Name: Merit Energy Company LLC

Spot: SE-SNW-NW Sec 30 Twp 30 S Rng 33 ☐ E / ☒ W

Address 1: 13727 Noel Road Suite 1200

4179 Feet from ☐ N / ☒ S Line of Section

Address 2: _____

4272 Feet from ☒ E / ☐ W Line of Section

City: Dallas

GPS: Lat: 37.41380 Long: 100.97670 Date: 9/22/25

State: Tx Zip Code: 75240 -7362

Lease Name: SWLVLU Well #: 21

Operator Phone #: (972) 628-1660

County: Haskell

Reason for Investigation:

Check for legal

Problem:

Well was denied a TA and has a dead line of 08/16/2025

Persons Contacted:

None

Findings:

21: is an inactive oil well, there is no production equipment on location. The wellhead is a swedge screwed into the casing. There are no flow lines connected to the well. There is no road to the well and no sign of anyone being at this well for several months.

No leaks or spills

Action/Recommendations:

Follow Up Required ☒ Yes ☐ No ☐

Date: 11/24/25

Unsatisfactory, send penalty letter for failure to file a CP-111.

Verification Sources:

Photos Taken: _____

☒ RBDMS

☒ KGS

☐ TA Program

☐ T-I Database

☐ District Files

☐ Courthouse

☒ Other: On site inspection

By: _____

Max Ball

Retain 1 Copy District Office
Send 1 Copy to Conservation Division

Form: _____



Date: 09/22/2025.

Operator: Merit Energy Company LLC.

Lease Name: SWLVLU # 21.

Legals: SE-SE-NW-NW section 30-30s-33w Haskell County.

Description: Wellhead showing closed valve and no flow lines connected to well.

CERTIFICATE OF SERVICE

26-CONS-3102-CPEN

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of first class mail and electronic service on 10/07/2025.

CHRIS HEAVNER, REGULATORY/GOV'T MANAGER
MERIT ENERGY COMPANY, LLC
13727 NOEL ROAD, SUITE 1200
DALLAS, TX 75240
chris.heavner@meritenergy.com

FRED MACLAREN
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
DODGE CITY, KS 67801
frederic.maclaren@ks.gov

KELCEY MARSH, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
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WICHITA, KS 67202-1513
kelcey.marsh@ks.gov

ROBYN STALKFLEET, ADMINISTRATIVE SPECIALIST
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
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KENNY SULLIVAN, DISTRICT #1 SUPERVISOR
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/S/ KCC Docket Room

KCC Docket Room