

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

In the matter of the application of Merit Energy) Docket No. 20-CONS-3227-CHOR
Company, LLC, to drill the Connor 19-1 well as)
a deviated wellbore pursuant to K.A.R 82-3) CONSERVATION DIVISION
-103a to be located in Section 19, Township 30)
South, Range 32 West, Haskell County, Kansas.) License No. 32446

APPLICATION FOR DEVIATED WELLBORE

Merit Energy Company, LLC (“Merit”) files this Application for Deviated Wellbore (“Application”) pursuant to K.A.R. 82-3-103a requesting an order authorizing the drilling of the Connor 19-1 well as a deviated wellbore to be located in Haskell County, Kansas. In support of its Application, Merit states as follows:

1. Merit is a Delaware limited liability company duly authorized and in good standing with the office of the Secretary of State to do business in Kansas. Merit’s mailing address is 13727 Noel Road, Suite 1200, Dallas, Texas, 75240.
2. The Commission has issued Merit oil and gas operator’s License No. 32446, which license is in full force and effect through May 30, 2020.
3. Merit is the operator of a valid and subsisting oil and gas lease covering the Northwest Quarter (NW/4) of Section 19-T30S-R32W, Haskell County, Kansas (“Subject Lease”). Merit’s affiliates are working interest owners of the Subject Lease, and Merit is authorized to file this Application on their behalf.
4. Merit proposes to drill the Connor 19-1 well (“Subject Well”) as a deviated wellbore beneath the Subject Lease to test the Marmaton formation and the St. Louis formation within the Mississippian system (“Producing Formations”) for commercial quantities of oil or gas, or both.

5. As depicted on Exhibit A, Merit proposes to drill the Subject Well on the Subject Lease from a surface location that is approximately 206' from the North line ("FNL") and 2,295' from the West line ("FWL") of Section 19-T30S-R32W. Merit's engineers have designed the Subject Well so that it will be drilled vertically to a TVD of 1,800' at which point drilling will kickoff in a southwesterly direction at a build rate of 3 degrees per 100' until it reaches approximately 20.6 degrees of deviation at approximately 2,472' TVD and 2,486' TMD. Thereafter, the drilling of the well will continue at approximately 20.6 degrees of deviation in a southwesterly direction where it is expected to enter the top of the Producing Formations beneath the Subject Lease at a location that is approximately 859' FNL and 1,531' FWL, 4,821' TVD and 4,995' TMD. As drilling of the Subject Well continues through the Producing Formations the deviation will begin to build back at the rate of 1 degree per 100'. Drilling will continue until the Subject Well reaches its bottom-hole location beneath the Subject Lease at 12.45 degrees of deviation at a location approximately 983' FNL and 1,334' FWL, 5,601' TVD and 5,810' TMD. Merit will evaluate and test the Producing Formations for commercial quantities of oil and gas. The Subject Well will be cased and perforated through the Producing Formations. In total, approximately 700' TMD of wellbore will be drilled within the Producing Formations.

6. Merit requests an order from the Commission authorizing the drilling of the Subject Well as a deviated wellbore pursuant to K.A.R. 82-3-103a, because the intended deviation of the wellbore from the surface location to the top of the Producing Formations exceeds 7 degrees. As proposed, there will be approximately 12 degrees of deviation in the Subject Well from the surface location to the top of the Producing Formations.

7. Drilling the Subject Well as proposed is necessary to prevent physical and economic waste, and to protect correlative rights. Merit desires to drill the Subject Well as a

deviated well to minimize interference with agricultural operations being conducted on the lands covered by the Subject Lease. As depicted on Exhibit A, there is an irrigation pivot and crop circle located on the lands covered by the Subject Lease. Merit can minimize interfering with this operation by spudding the Subject Well from a location outside of the crop circle, beyond the reach of the irrigation pivot, and by drilling in a deviated manner to reach the Producing Formations lying beneath the crop circle. Merit's geologists and geophysicists have determined that drilling the Subject Well into the Production Formations as proposed above is necessary to maximize the recovery of oil and gas reserves from the target reservoir, thereby preventing waste and protecting correlative rights. By accommodating the agricultural operation, Merit is likewise preventing any economic waste associated with damaging growing crops or interfering with farm implements.

8. The correlative rights of offset operators, lessees and mineral owners will not be violated if this Application is granted. Although the Subject Well is proposed to be spudded at a location that is nearer than 330' from the boundary of the Subject Lease, the wellbore is not planned to enter the Producing Formations until it has reached a location that is 859' from the nearest boundary of the Subject Lease, which is the closest the producing interval of the Subject Well will ever be from a lease line. As such, at no point in time from the top of the Producing Formations to the proposed bottom-hole location will the wellbore of the Subject Well be nearer than 330' from any boundary of the Subject Lease, and the drilling of the Subject Well as proposed will, at all times, comply with the statewide minimum setback prescribed by K.A.R. 82-3-108.

9. A portion of the Subject Lease will be attributed to the Subject Well for purposes of establishing a production allowable. Merit requests that the Commission assign the Subject Well a full production allowable upon its completion.

10. The Subject Well will be drilled, operated, and produced in compliance with the Commission's rules and regulations for the production of oil and gas from deviated wellbores. The granting of this Application will not cause waste or violate the correlative rights of any party. The drilling of the Subject Well is necessary to produce hydrocarbon reserves from the Producing Formations underlying the Subject Lease, and will therefore prevent waste and protect the correlative rights of Merit's affiliates and the mineral owners of the Subject Lease.

11. Exhibit A contains a detailed plat depicting the surface location and anticipated bottom-hole location of the Subject Well.

12. Exhibit B contains a list of all operators or lessees and unleased mineral owners within one-half mile of that portion of the Subject Well that will be drilled into the Producing Formations, whose names and addresses Merit has been able to determine after reasonable search and inquiry.

13. Notice of this Application is being provided to all persons listed on Exhibit B, and will be published in the *Wichita Eagle* and the *Haskell County Monitor*, the official newspaper for Haskell County, Kansas. A true and correct copy of the Notice of Application to be published is enclosed herewith. Each publisher's affidavit will be provided to the Commission upon Merit's receipt from the publisher. As such, notice of this Application will be compliant with K.A.R. 82-3-135a and -103a(b), and be lawful and proper in all respects.

WHEREFORE Merit prays that this Application be docketed by the Commission and, if no valid protest is timely received by the Commission, that the Commission grant Merit's application to drill the Subject Well as a deviated wellbore and assign it a full production allowable without incurring the time and expense of an evidentiary hearing. In the event a valid protest is timely filed, Merit requests that the Commission set this Application for hearing and, upon such

hearing, grant the requested order, and afford such other and further relief as the Commission deems necessary and proper.

Respectfully submitted,

MORRIS, LAING, EVANS, BROCK
& KENNEDY, CHARTERED

By: _____


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Facsimile - (316) 262-6226
Email - jschlatter@morrislaing.com
Attorneys for Merit Energy Company, LLC

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

Jonathan A. Schlatter, being of lawful age and being first duly sworn upon his oath, deposes and says:

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


Jonathan A. Schlatter

SIGNED AND SWORN to before me this 14th day of February, 2020.



My Appointment expires: 10/12/20

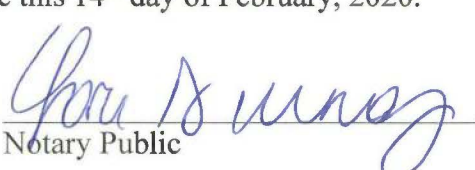

Notary Public

EXHIBIT A Plats – Connor 19-1

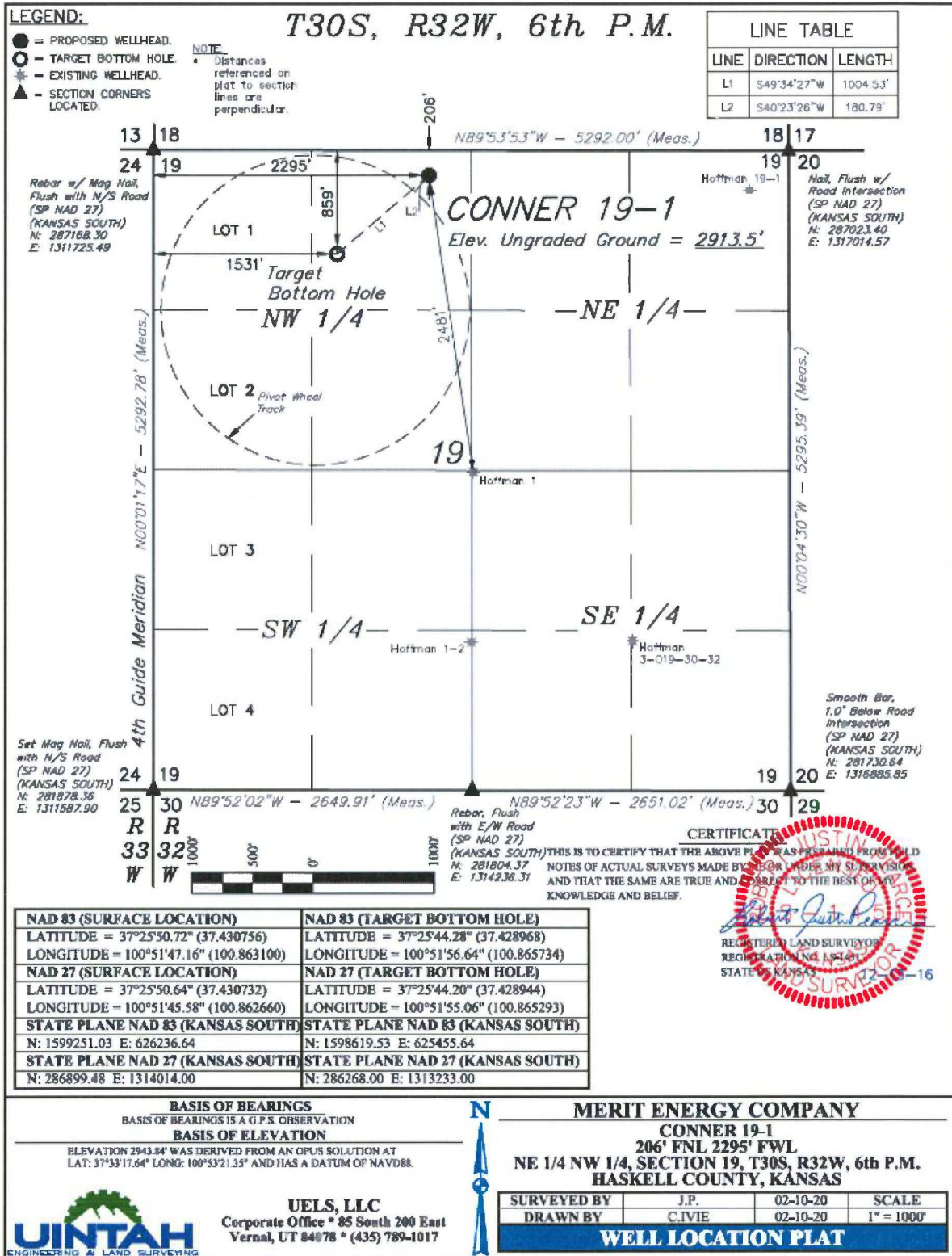


EXHIBIT B

Offset Operators, Lessees, and Unleased Mineral Owners – Connor 19-1

Randall E. Hoffman and Vivian M. Hoffman,
Trustees of the Randall and Vivian Hoffman
Trust u/t/a dtd March 12, 2007
P.O. Box 387
Sublette, KS 67877

Shirley E. Passow
1111 Lakeview Dr.
Kingsland, TX 78639

Nancy Weeks
P.O. Box 577
Sublette, KS 67877

Sue Stoppel and Thomas R. Stoppel
P.O. Box 592
Sublette, KS 67877

Cynthia Collier
81560 Avenida Contento
Indio, CA 92203

Scout Energy Management LLC
4901 LBJ Freeway, Suite 300
Dallas, TX 75244

Riviera Operating, LLC
600 Travis, Suite 1700
Houston, TX 77002

Kansas Natural Gas Operating, LC
1200 Main St.
P.O. Box 818
Hays, KS 67601

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Company, LLC, to drill the Connor 19-1 well as)
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South, Range 32 West, Haskell County, Kansas.) License No. 32446

NOTICE OF APPLICATION

TO ALL: OIL AND GAS OPERATORS, PRODUCERS AND LESSEES, OIL AND GAS LESSORS
AND ROYALTY OWNERS, UNLEASED AND OFFSETTING MINERAL INTEREST OWNERS,
LANDOWNERS, AND ALL PERSONS CONCERNED:

You are hereby notified that Merit Energy Company, LLC ("Merit") has filed an application with the Kansas Corporation Commission ("Commission") requesting an order authorizing the drilling of the Connor 19-1 well ("Well") as a deviated wellbore to test the Marmaton formation and St. Louis formation in the Mississippian system ("producing formations") beneath the NW/4 of Section 19-T30S-R32W, Haskell County, Kansas ("Subject Land") for commercial quantities of oil and gas. As proposed, the Well will be drilled vertically from its surface location in the NW/4 of said section to a true vertical depth ("TVD") of 1,800' at which point drilling will kickoff in a southwesterly direction at a build rate of 3 degrees per 100' until it reaches approximately 20.6 degrees of deviation. Drilling of the Well will continue at approximately 20.6 degrees of deviation until it reaches the top of the producing formations. At this point drilling of the Well will begin to build back at a rate of 1 degree per 100' while the Well continues through the producing formations until it reaches its bottom-hole location. As proposed, there will be approximately 12 degrees of deviation in the Well from the surface location to top of the producing formations. The surface location, the expected location where the Well will enter the top of the producing formations, and the expected location where the Well will reach its bottom-hole location ("BHL") are described in the below table, where TMD means true measured depth, TVD means true vertical depth, and the locations are measured from the North line ("FNL") and West line ("FWL") of the Subject Tract:

Well	FNL	FWL	TVD	TMD
Surface Location	206'	2,295'	0'	0'
Top of Producing Formations	859'	1,531'	4,821'	4,995'
BHL	983'	1,334'	5,601'	5,810'

The application is pending with the Commission. Any persons who object or protest to such application shall be required to file their objections or protests in writing with the Commission within 15 days from the date of this publication. If a written protest is not timely filed, the application may be granted by the Commission without hearing or further notice to any interested party. All objections and protests shall clearly state the reasons why granting the application will violate correlative rights, cause waste or pollution. Objections or protests shall be mailed to the Kansas Corporation Commission, Conservation Division, 266 N. Main St., Ste. 220, Wichita, KS 67202, with a copy to Merit's attorneys listed below. All parties in any way interested or concerned shall take notice of the foregoing and govern themselves accordingly.

Jonathan A. Schlatter
MORRIS LAING EVANS BROCK &
KENNEDY, CHTD.
300 N. Mead, Suite 200

Wichita, KS 67202-2745

Office: (316) 262-2671

Attorneys for Merit Energy Company, LLC

CERTIFICATE OF SERVICE

I, Jonathan A. Schlatter, hereby certify that on this 14th day of February, 2020, I caused the original of the foregoing **Application for Deviated Wellbore** with its attached **Exhibits A and B**, and the **Notice of Application** to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and caused true and correct copies of the same to be deposited in the United States Mail, first class, postage prepaid, and properly addressed to the parties identified on Exhibit B of the Application.



Jonathan A. Schlatter, #24848