

MAR 05 2015

CONSERVATION DIVISION
WICHITA, KS

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

2015-03-05 16:07:30
Kansas Corporation Commission
VS/ Neysa Thomas

IN THE MATTER OF THE APPLICATION)	DOCKET NO. 15-CONS- <u>756</u> -CEXC
OF MERIT ENERGY COMPANY FOR AN)	
EXCEPTION TO THE 10-YEAR TIME)	
LIMITATION OF K.A.R. 82-3-111 FOR ITS)	CONSERVATION DIVISION
BOLES C-2 WELL IN THE SOUTHWEST)	
QUARTER OF THE NORTHEAST)	
QUARTER OF THE NORTHWEST)	LICENSE NO. 32446
QUARTER OF SECTION 11, TOWNSHIP)	
35 SOUTH, RANGE 34 WEST, SEWARD)	
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, 2015.
3. Merit is the owner and operator of the Boles C-2 well, which is located in the Southwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 11, Township 35 South, Range 34 West, Seward County, Kansas, API # 15-175-21722-00-00. The subject well is located on an active oil and gas lease or unit comprising the following lands:

West Half of Section 2 and all of Section 3 and the
Southeast Quarter of Section 4 and the Northeast Quarter of

Section 10 and the Northwest Quarter of Section 11,
Township 35 South, Range 34 West, Seward County,
Kansas.

4. The Boles C-2 was originally perforated in the St. Louis formation but was not actively produced and was shut-in as inactive.

5. Pursuant to K.A.R. 82-3-111, Merit sought and obtained temporary abandoned status for said well on or about January 30, 2001.

6. On or about February 20, 2015, 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 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 both the Morrow and Marmaton.

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 Boles C-2 well as part of an EOR project, it would cost approximately One Hundred Thousand Dollars (\$100,000.00). It would cost an estimate of One Million Dollars (\$1,000,000.00) based on current prices to drill and complete a replacement well.

11. Merit has included a plat map 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 Boles C-2 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 A 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 

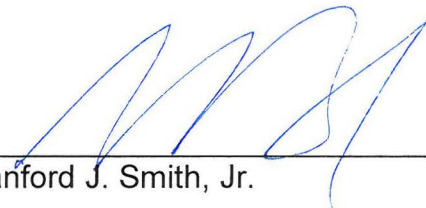
Stanford J. Smith, Jr.
100 North Broadway, Suite 500
Wichita, KS 67202
(316) 265-9311
Attorney for Merit Energy Company

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

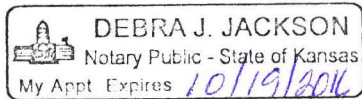
STANFORD J. SMITH, JR., of lawful age, being first duly sworn, upon oath states:

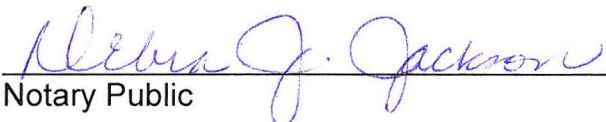
That he is the attorney for Merit Energy Company, applicant herein; that he has read the above and foregoing Application of Merit Energy Company and is familiar with the contents thereof; and, that the statements made therein are true and correct to the best of his knowledge and belief.



Stanford J. Smith, Jr.

SUBSCRIBED and sworn to before me this 14th day of March, 2015.





Notary Public

My Appointment Expires:
10/19/2016

EXHIBIT A

Cobra Petroleum Company, LP
PO Box 136355
Fort Worth, TX 76136

Helen E. Boles
32200 SW French Prairie Rd. C-323
Wilsonville, OR 97070

James M. Blasing &
Mary Ellen Blasing
106 La Vista Rd.
Pueblo, CO 81005

Joanne Sloan
4946 Filbert Dr.
Loveland, CO 80538

Mary B. Cox
16045 SW Audubon 103
Beaverton, OR 97006

Patricia Ann Blasing
10940 S. Parker Rd. #166
Parker, CO 80134

Southwest Petroleum Company, LP
DBA Southwest Petroleum Company
PO Box 702377
Dallas, TX 75370

Stanley R. Boles
RFD 1
Liberal, KS 67901

Steven H. Boles
Box 2627
Estes Park, CO 80517

Walker 1998 Trust DTD 10/16/98
Barbara Bartlett Steven Walker TTEE
6724 Saddle Bluff Dr.
Murray, UT 84123-2909

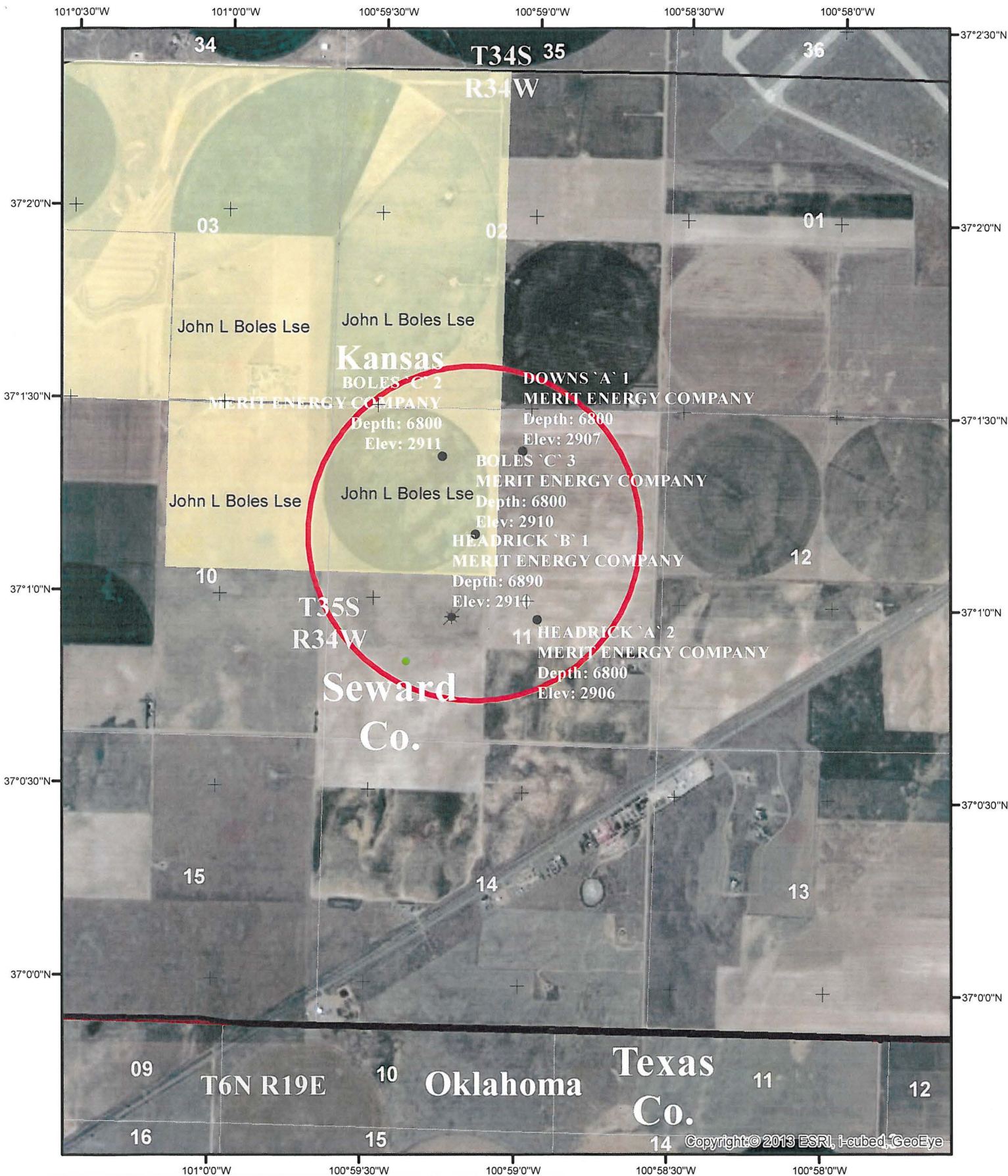
Wesley Towers, Inc.
700 Monterey Place
Hutchison, KS 67502

Mary Esther Downs and
Richard C. Downs
1940 N. Calhoun
Liberal, KS 67901

Winifred A. Kiddoo
1133 Galangate Ave.
Henderson, NV 89015

Ivan D. Headrick &
Marylin A. Headrick
2208 Road F
Liberal, KS 67901

John S. Grover Trust
John E. Grover Trustee
1000 Cordova Place #814
Santa Fe, NM 87505



Legend

- D&A-OG
- GAS
- OIL
- 1/2 MI BUFFER
- World Imagery

0 1,000 2,000 Feet



MERIT ENERGY COMPANY

BOLES C 3 WELL
W/ 1/2 MILE BUFFER

Seward Co, Kansas

Scale: 1:24,000

Map by: Richard Norzagaray

Date: MARCH 03, 2015

Projection: State Plane Kansas South NAD 27

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

IN THE MATTER OF THE APPLICATION)	DOCKET NO. 15-CONS-_____-CEXC
OF MERIT ENERGY COMPANY FOR AN)	
EXCEPTION TO THE 10-YEAR TIME)	
LIMITATION OF K.A.R. 82-3-111 FOR ITS)	CONSERVATION DIVISION
BOLES C-3 WELL IN THE EAST HALF)	
OF THE SOUTHEAST QUARTER OF)	
THE NORTHWEST QUARTER OF)	LICENSE NO. 32446
SECTION 11, TOWNSHIP 35 SOUTH,)	
RANGE 34 WEST, SEWARD 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 Boles C-3 well, located in the East Half of the Southeast Quarter of the Northwest Quarter of Section 11, Township 35 South, Range 34 West, Seward County, Kansas, API # 15-175-21720-00-01.

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 will 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, 130 South Market, Room 2078, 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: Katherine McClurkan
Regulatory Analyst
13727 Noel Road, Suite 1200
Dallas, Texas, 75240
(972) 628-1960