

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

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Pat Apple

In the matter of the application of Merit)	Docket No. 18-CONS-3290-CEXC
Energy Company, LLC, for an exception to)	
the 10-year time limitation of K.A.R. 82-3-)	CONSERVATION DIVISION
111 for its McHargue A-2 well in the)	
northeast quarter of the southwest quarter of)	License No. 32446
Section 2, Township 33 South, Range 34)	
West, Seward County, Kansas.)	

ORDER GRANTING APPLICATION

The above-captioned matter comes before the State Corporation Commission of the State of Kansas for consideration and determination. Having examined its files and records, and being duly advised in the premises, the Commission makes the following findings:

I. JURISDICTION

1. K.S.A. 74-623 provides that the Commission has the exclusive jurisdiction and authority to regulate oil and gas activities, with licensing authority under K.S.A. 55-155.
2. K.A.R. 82-3-100 provides that the Commission may grant an exception to any regulation after application and notice.
3. K.A.R. 82-3-111 requires wells that are inactive for more than 90 days be plugged or approved for temporary abandonment (“TA”) status. The regulation provides that wells having been shut-in for more than 10 years shall not be approved for TA status without Commission approval of an application for an exception pursuant to K.A.R. 82-3-100.

II. FINDINGS OF FACT

4. Commission records indicate Merit Energy Company, LLC (“Operator”) is currently licensed to conduct oil and gas activities in Kansas under K.S.A. 55-155.

5. Operator filed an application requesting an exception to the 10-year limit on TA status for the McHargue A #2 well, API #15-175-20526-00-00.¹

6. Operator has verified that notice was properly served and published, as required under K.A.R. 82-3-135a, at least 15 days before the issuance of this Order.

7. No protest was filed under K.A.R. 82-3-135b.

8. Operator successfully tested the subject well for mechanical integrity.

9. Commission Staff met internally and reviewed Operator’s application. Staff determined that the application and the mechanical integrity test were sufficient to support the administrative grant of this application. Accordingly, Staff has proposed to the Commission this Order granting the application without the need for a hearing.

III. CONCLUSIONS OF LAW

10. The Commission has jurisdiction over Operator and this matter.

11. Operator’s application was filed in accordance with the rules and regulations of the Commission and Kansas statutes.

12. Notice was properly served and published.

13. Based on the available facts, the Commission finds that the application should be granted to prevent waste and protect correlative rights, because Operator has demonstrated a potential future use for the well, and there is not a present threat to fresh and usable water.

¹ In its application, Operator refers to the well as the McHargue A-2, but in Commission databases the well is known as the McHargue A #2.

THEREFORE, THE COMMISSION ORDERS:

A. Operator's application for an exception to the 10-year limit on TA status for the subject well is granted for three years, calculated from the date the application was filed. Operator must file an annual TA form for the subject well. The first TA form shall be filed within 30 days.

B. This Order is a summary proceeding pursuant to K.S.A. 77-537, which provides in paragraph (b)(4) that summary proceedings are not effective until the time for requesting a hearing has expired. K.S.A. 77-542 provides that a request for hearing shall be filed within 15 days of any agency notice resulting in a right to request a hearing. If service of this Order is by mail, three days are added to the deadline.

C. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita, Kansas 67202. Pursuant to K.S.A. 55-606 and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action permitted by this summary proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Date: 04/03/2018

Date Mailed: 04/04/2018



Lynn M. Retz
Secretary to the Commission

JRM

CERTIFICATE OF SERVICE

No Docket

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail and electronic service on 04/04/2018.

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