2017-07-11 15:37:05 Kansas Corporation Commission /s/ Lynn M. Retz

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Pat Apple, Chairman Shari Feist Albrecht Jay Scott Emler

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In the matter of application of Merit Energy Company, LLC, for an exception to the 10-year time limitation of K.A.R. 82-3-111 for its Kinney Chester Sand Unit 401 well in the Southeast Quarter of the Southeast Quarter of the Southeast Quarter of Section 26, Township 34 south, Range 35 West, Stevens County, Kansas. Docket No.: 17-CONS-3513-CEXC

CONSERVATION DIVISION

) License No.: 32446

MOTION TO DESIGNATE A PREHEARING OFFICER AND SCHEDULE A PREHEARING CONFERENCE

The Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively) moves for an Order designating a prehearing officer and scheduling a prehearing conference in this matter, for the reasons stated below.

1. On March 13, 2017, Merit Energy Company, LLC ("Operator") filed an

application for an exception to the ten-year time limitation of K.A.R. 82-3-111 with regard to the

Kinney Chester Sand Unit 401 well (API # 15-015-19480-00-00).

2. On April 25, 2017, Staff Litigation Counsel sent a letter to Operator's counsel,

stating that Operator had not conducted a mechanical integrity test, and that Staff was unwilling to recommend approval of the application without one. The letter gave a May 12, 2017, deadline to conduct a successful mechanical integrity to avoid Staff requesting the matter be assigned a prehearing officer and set for a prehearing conference.¹

3. Staff opposes granting the application at this time because Operator has not performed a successful mechanical integrity test. Staff believes it may also have additional

¹ See Exhibit A.

concerns regarding the application, but has not attempted to resolve them because there is not yet evidence of a successful casing integrity test.

WHEREFORE, for the reasons described above, Staff respectfully requests an Order designating a prehearing officer and scheduling a prehearing conference, in anticipation of an evidentiary hearing where Staff may recommend denial of the application.

Respectfully submitted,

Joshua D. Wright, #24118 Litigation Counsel Kansas Corporation Commission 266 N. Main, Suite 220 Wichita, Kansas 67202 Phone: 316-337-6200; Fax: 316-337-6211 Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 6/202-1513

Pat Apple, Chairman Shari Feist Albrecht, Commissioner Jay Scott Linler, Commissioner

April 25, 2017

Stanford J. Smith Martin, Pringle, et al. 100 N. Broadway, Suite 500 Wichita, Kansas 67202

Re: Docket Number 17-CONS-3513-CEXC Merit Energy Company, License #32446 Kinney Chester Sand Unit #401, API #15-189-20706

Mr. Smith:

Commission Staff received the application in the referenced docket on March 13, 2017; however, to date, we have not received evidence of a recent, successful casing integrity test. Staff will not support the application without such a test.

Please conduct a successful, Staff-witnessed casing integrity test by May 12, 2017. Failure to do so will result in Staff requesting that this matter be assigned a prehearing officer and set for a prehearing conference, in anticipation of an evidentiary hearing where Staff would recommend denial of the application for failure to conduct a recent, successful casing integrity test.

You may contact me if you have any questions.

Sincerely,

n Myers

Jon' Myers Litigation Counsel Kansas Corporation Commission

Cc: Scott Alberg, Steve Pfeifer & Michele Pennington, KCC District #1



Phone: 316 337 6200 Fax: 316 337 6211 http://kcc.ks.gov/

Sam Brownback, Covernor

CERTIFICATE OF SERVICE

I certify that on <u>July 11, 2017</u>, I caused a complete and accurate copy of this Motion to be served electronically and via United States mail, with the postage prepaid and properly addressed to the following:

Stanford J. Smith Martin, Pringle, et al. 100 N. Broadway, Suite 500 Wichita, Kansas 67202 Email: <u>sjsmith@martinpringle.com</u> *Attorney for Merit Energy Company*

and delivered by e-mail to:

Scott Alberg KCC District #1

<u>/s/ Cynthia K. Maine</u> Cynthia K. Maine Administrative Assistant Kansas Corporation Commission