

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

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

In the matter of the application of Merit Energy) Docket No. 17-CONS-3473-CHOR
Company, LLC, to drill the River Bend 1 well)
located in Section 26, Township 24 South,) CONSERVATION DIVISION
Range 32 West, Finney County, Kansas, as a)
deviated well pursuant to K.A.R. 82-103a.) License No. 32446

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.
2. K.A.R. 82-3-103a provides that any hole intentionally deviated more than 7 degrees into a formation for production of oil or gas may only be permitted after application and notice under K.A.R. 82-3-135a.

II. FINDINGS OF FACT

3. 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.
4. Operator filed an application on February 1, 2017, requesting permission to complete its River Bend 1 well (the "subject well") as a deviated well in Finney County, Kansas.

5. The 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. No protests to the grant of the application have been received.

6. The subject well will be completed with a deviation from the surface to the top of the producing formation in excess of seven degrees (7°). The subject well surface location is at a location 609 feet from the South line and 144 feet from the West line of Section 26, Township 24 South, Range 32 West, Finney County, Kansas. To keep the surface hole location out of the flood plan and a crop circle, a deviation of ten point eight degrees (10.8°) is necessary. The bottom hole location for the River Bend 1 well will be at 1379 feet from the South line and 631 feet from the West line of said Section 26, a legal location. The subject well is expected to be productive from the St. Louis Formation.

7. The bottom hole location of the subject well will be at a legal location and directional surveys have been run to confirm the bottom hole location.

III. CONCLUSIONS OF LAW

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

9. The application was filed in accordance with the rules and regulations of the Commission and Kansas statutes.

10. Notice was properly served and published.

11. Based on the available facts, the Commission finds that the application should be granted to prevent waste and protect correlative rights.

THEREFORE, THE COMMISSION ORDERS:

A. The application for the completion of the subject well as a deviated well is granted, and a full allowable is assigned to the subject well.

B. Operator shall provide directional surveys to Commission Staff at the time the well completion report is filed.

C. 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. Any party taking an action permitted by this summary proceeding before the deadline for requesting a hearing has expired shall be deemed to have waived their right to a hearing pursuant to K.S.A. 77-504.

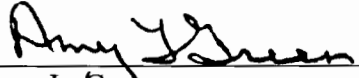
D. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed 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.

E. The Commission retains jurisdiction of the subject matter and the parties and may enter additional orders as it deems appropriate.

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Date: MAR 07 2017



Amy L. Green
Secretary to the Commission

Date Mailed: March 7, 2017

JM

CERTIFICATE OF SERVICE

I certify that on March 7, 2017, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

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And delivered electronically to:

Rick Hestermann
KCC Central Office

/s/ Cynthia K. Maine
Cynthia K. Maine
Administrative Assistant
Kansas Corporation Commission