

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

IN THE MATTER OF THE APPLICATION	)	DOCKET NO. 18-CONS- <u>3386</u> -CEXC
OF MERIT ENERGY COMPANY, LLC,	)	
FOR AN EXCEPTION TO THE 10-YEAR	)	
TIME LIMITATION OF K.A.R. 82-3-111	)	CONSERVATION DIVISION
FOR ITS HARRIS A-1 WELL IN THE	)	
WEST HALF OF THE SOUTHWEST	)	
QUARTER OF THE SOUTHEAST	)	LICENSE NO. 32446
QUARTER OF SECTION 22, TOWNSHIP	)	
27 SOUTH, RANGE 36 WEST, GRANT	)	
COUNTY, KANSAS.	)	

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**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, 2019.
3. Merit is the owner and operator of the Harris A-1 well, which is located in the West Half of the Southwest Quarter of the Southeast Quarter of Section 22, Township 27 South, Range 36 West, Grant County, Kansas, API # 15-067-21585-00. The subject well is located on an active oil and gas lease or unit comprising the following lands:

Southeast Quarter of Section 22, Township 27 South, Range  
36 West, Grant County, Kansas.

4. The Harris A-1 was never perforated and was not actively produced and was shut-in.

5. Pursuant to K.A.R. 82-3-111, Merit sought and obtained temporary abandoned status for said well on or about June 16, 2015.

6. On or about June 5, 2018, 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 imposes a 10-year limitation on the amount of time during which wells may be temporarily abandoned, but an exception to the 10-year limitation may be obtained pursuant to said regulation through an Application filed with the Commission pursuant to K.A.R. 82-3-100. Applicant seeks such an exception.

8. Merit wishes to continue temporary abandonment status for the subject well because Merit intends to use the well to complete downhole zones when economic at a higher commodity price. Merit anticipates perforating the St. Louis and/or the Marmaton in the future. If those formations are not productive, Merit may recomplete in the Chase/Council Grove formations. Estimated recovery is 40 MBO at 10-15 bopd.

9. A Commission Staff-witnessed casing integrity test of the casing is pending.

10. It would cost an estimated Thirty-Five Thousand Dollars \$35,000.00 to plug this well. In order to reactivate the Harris A-1, it would cost approximately One Hundred Thousand Dollars (\$100,000.00) based on current prices. It would cost an estimate of Eight Hundred Fifty Thousand Dollars (\$850,000.00) based on current prices to drill and complete a replacement well.

11. Merit has included a two (2) inch equals one (1) mile plat map, attached as Exhibit A, 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 Harris A-1 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 B 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.  
Robert J. Moody  
100 North Broadway, Suite 500  
Wichita, KS 67202  
(316) 265-9311  
*Attorney for Merit Energy Company*

## VERIFICATION

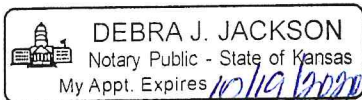
STATE OF KANSAS       )  
                                  ) ss:  
COUNTY OF SEDGWICK )

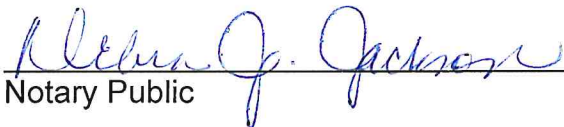
Robert J. Moody, of lawful age, being first duly sworn, upon oath states:

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.

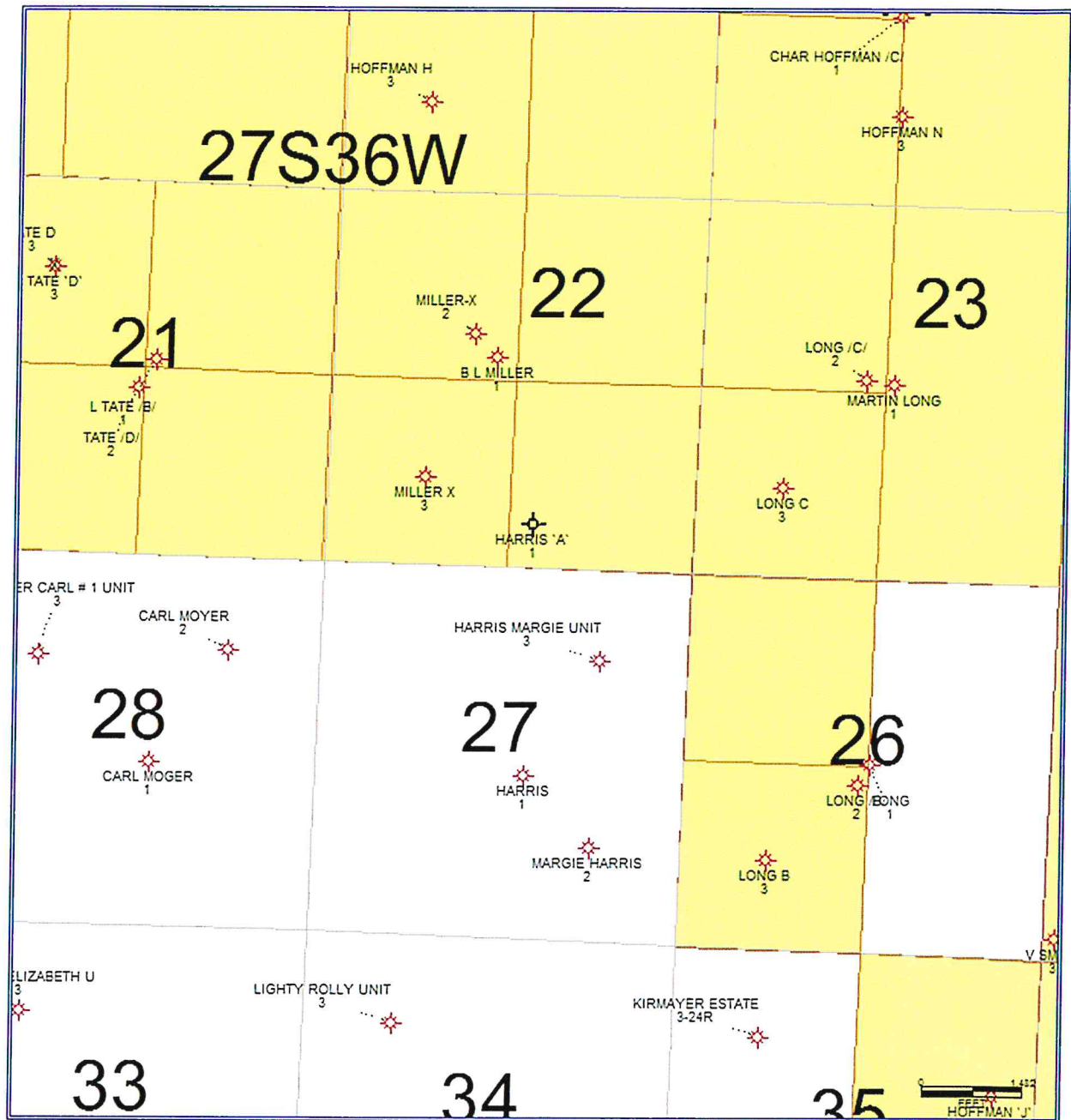
  
\_\_\_\_\_  
Robert J. Moody

SUBSCRIBED and sworn to before me this 14th day of June, 2018.



  
\_\_\_\_\_  
Notary Public

My Appointment Expires:  
10/19/2020



**HARRIS A-1  
GRANT COUNTY, KANSAS  
EXHIBIT A**

## **EXHIBIT B**

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



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QUARTER OF SECTION 22, TOWNSHIP	)	
27 SOUTH, RANGE 36 WEST, GRANT	)	
COUNTY, KANSAS.	)	

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**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 Harris A-1 well, located in the West Half of the Southwest Quarter of the Southeast Quarter of Section 22, Township 27 South, Range 36 West, Grant County, Kansas, API # 15-067-21585-00.

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, 266 North Main, Suite 220, 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) 628-1660