

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

the Conservation Division requesting temporary abandonment (TA) status. If not plugged or returned to service, the operator must obtain TA approval; TA status may be denied by the Conservation Division if necessary to prevent pollution. A well shut-in for 10 years or more cannot be granted TA status without the operator filing an application for an exception pursuant to K.A.R. 82-3-100 and approval from the Commission. K.A.R. 82-3-111(e) provides a TA exemption for certain wells fully equipped and capable of production.

II. FINDINGS OF FACT

4. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the McCoy C #1 (Subject Well), API #15-081-21756-00-00, located in Section 24, Township 30 South, Range 32 West, Haskell County, Kansas.

5. On April 15, 2025, Commission records indicated the Subject Well had been inactive and unplugged for longer than the 90 days allowed by K.A.R. 82-3-111, that the well was not exempt pursuant to K.A.R. 82-3-111(e), and that the well was not approved for TA status. Thus, Commission Staff sent a letter to Operator, requiring Operator to bring the Subject Well into compliance with K.A.R. 82-3-111 by May 14, 2025.¹

6. On June 11, 2025, Commission Staff inspected the Subject Well, because the deadline in the letter had passed and the violation had not been resolved, verifying that the well continued to be inactive and unplugged.²

III. CONCLUSIONS OF LAW

7. The Commission has jurisdiction over Operator and this matter under K.S.A. 74-623 and K.S.A. 55-152.

¹ Exhibit A.

² Exhibit B.

8. Operator has committed one violation of K.A.R. 82-3-111 because the Subject Well has been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for TA status.³

THEREFORE, THE COMMISSION ORDERS:

- A. Operator shall pay a \$100 penalty.
- B. Operator shall plug the Subject Well, or return the well to service, or obtain TA status for the well if eligible.
- C. Commission Staff may require Staff-witnessed static fluid level measurements before a Subject Well is returned to service. A Subject Well may not be returned to service if (1) any measurement has shown fluid in the wellbore at or above the appropriate minimum surface casing requirement described in Table I of the Commission's August 1, 1991, Order in Docket 34,780, (2) any measurement has shown fluid in the wellbore at or above any salt formation or other corrosive formation, or (3) in the opinion of Staff, variation in measurements indicates the possibility of a casing leak. Provided, however, a Subject Well may be returned to service upon (a) passing a casing integrity test after issuance of this Penalty Order to the satisfaction of Staff, or (b) Staff providing written, well-specific authorization after issuance of this Penalty Order.
- D. Operator may request a hearing on the above issues by submitting a written request, pursuant to K.S.A. 55-164, K.S.A. 77-537, and K.S.A. 77-542, to the Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202, within 30 days from the date of service of this Order. A request for hearing must comply with K.A.R. 82-1-219.
- E. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing. If no party timely requests a hearing, then this Order shall become final.

³ K.S.A. 55-164; K.A.R. 82-3-111(b).

F. If Operator is not in compliance with this Order and the Order is final, then Operator's license shall be suspended without further notice and shall remain suspended until Operator complies. If a Subject Well has been inactive for more than 10 years and Operator applies for an exception to the 10-year limit on TA status for the Subject Well prior to this Order becoming final, and Operator would be in compliance with this Order if the application were approved, then suspension shall not be enforced unless: (1) the application is denied, and (2) 30 days have elapsed since the denial. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding license suspension.

G. A party may petition for reconsideration of a final order pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁴

H. Credit card payments may be made by calling the Conservation Division at 316-337-6200. Checks and money orders shall be payable to the Kansas Corporation Commission. Payments shall be mailed to the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202. Payments must reference the docket number of this proceeding.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 07/03/2025



Celeste Cheney-Tucker
Executive Director

Mailed Date: 07/03/2025

KAM

⁴ See K.S.A. 55-162; K.S.A. 55-164; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).



Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

Corporation Commission

Laura Kelly, Governor

NOTICE OF VIOLATION

MERIT ENERGY COMPANY, LLC
13727 NOEL ROAD, SUITE 1200
DALLAS TX 75240-7362

April 16, 2025
KCC Lic.-32446

RE: TEMPORARY ABANDONMENT

API Well No. 15-081-21756-00-00
MCCOY C 1
24-30S-32W, SWNWNW
HASKELL County, Kansas

Operator:

On April 15, 2025, a lease inspection documented a probable violation of the following regulation at the referenced well:

- K.A.R. 82-3-111. Within 90 days after operations cease on a well, the operator must return the well to service, plug the well, or obtain approval for temporary abandonment status.

**Failure to remedy this violation
by MAY 14, 2025
shall be punishable by a \$100 penalty.**

You may contact me if you have any questions.

Sincerely,

MAX BALL
KCC District # 1

KCC OIL/GAS REGULATORY OFFICES

Date: 06/11/25

District: 1

Case #: _____

- ☐ New Situation
☒ Response to Request
☒ Follow-Up

- ☒ Lease Inspection
☐ Complaint
☐ Field Report

Operator License No: 32446

API Well Number: See Back

Op Name: Merit Energy Company LLC

Spot: _____ Sec 24 Twp 30 S Rng 32 ☐ E / ☒ W

Address 1: 13727 Noel Road Suite 1200

Feet from ☐ N / ☒ S Line of Section

Address 2: _____

Feet from ☒ E / ☐ W Line of Section

City: Dallas

GPS: Lat: _____ Long: _____ Date: _____

State: Tx Zip Code: 75240 -7362

Lease Name: McCoy C Well #: _____

Operator Phone #: (972) 628-1660

County: Haskell

Reason for Investigation:

Check for legal.

Problem:

KGS shows no production for the C-1 well since 1/2021.

Persons Contacted:

None

Findings:

6/11/25: The # 1 well is still inactive, This well has a dead line of 05/14/2025, no changes to this lease.

4/15/25: # 1: Is an inactive gas well with a plunger lift, all wellhead and flow line valves are closed. Tank battery for this well is located northwest of the well in the northwest corner of the section. Battery consists of a 210 bbl fiberglass produced water tank and a meter run that has all valves closed and the meter removed. SE-SW-NW-NW.

2: Is a producing oil well and gas well with an operating gas powered pumping unit. Tank battery for this well is located northeast of the well in the northeast corner of the section. Battery consists of 1-30" by 10' vertical separator, 1-6' by 20' heater treater, 2-210 bbl fiberglass produced water tanks, 2-300 bbl steel stock tanks, and a meter run electronic meter shows production. SW-NE-NW-NE.

No leaks or spills

Action/Recommendations:

Follow Up Required ☒ Yes ☐ No ☐

Date: 6/16/25

Unsatisfactory, send penalty letter for failure to file CP-111

Verification Sources:

- ☒ RBDMS ☒ KGS ☐ TA Program
☐ T-I Database ☐ District Files ☐ Courthouse
☒ Other: On site inspection

Photos Taken: _____

By: _____

Max Ball

Retain 1 Copy District Office
 Send 1 Copy to Conservation Division

Form: _____



Date:06/11/2025'

Operator: Merit Energy Company LLC.

Lease Name: McCoy C 1.

Legals: SE-SW-NW-NW section 24-30s-32w Haskell County.

Description: Wellhead showing all tubing and casing valves closed.

CERTIFICATE OF SERVICE

26-CONS-3010-CPEN

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of first class mail and electronic service on 07/03/2025.

CHRIS HEAVNER, REGULATORY/GOV'T MANAGER
MERIT ENERGY COMPANY, LLC
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/S/ KCC Docket Room

KCC Docket Room