BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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IN THE MATTER OF THE APPLICATION OF MERIT ENERGY COMPANY, LLC, FOR A LOCATION EXCEPTION FOR THE REEVE 2 WELL IN THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 25 SOUTH, RANGE 33 WEST, FINNEY COUNTY, KANSAS. DOCKET NO. 17-CONS-<u>3636</u>-CWLE

CONSERVATION DIVISION

LICENSE NO. 32446

APPLICATION

COMES NOW, Merit Energy Company, LLC, 13727 Noel Road, Suite 1200, Dallas, Texas 75240, Applicant herein and respectfully states to the Commission as follows:

1. The Applicant is the owner of oil and gas leasehold interests and operates wells in the Hugoton Panoma Gas Fields in Finney County, Kansas.

2. The Applicant desires to drill the Reeve 2 well at a location 925 feet from the South line and 290 feet from the West line in the SW/4 of Section 14, Township 25 South, Range 33 West, Finney County, Kansas.

3. Applicant desires to drill the Reeve 2 well at that location in order to gain the most advantageous geological position and to assure reservoir availability at that location.

4. Applicant requests an exception pursuant to K.A.R. 82-3-108 in order to allow the drilling of this well closer than 330 feet from the nearest lease or unit boundary, to prevent waste without violating correlative rights.

5. Attached hereto and made a part of this Application, marked Exhibit "1", is a tabular listing of the names and addresses of each offset operator whose lease line is located less than 330 feet from the proposed location, and each of the unleased offset mineral owner whose property boundary is within 330 feet of the proposed location, and the Applicant's lessor/lessors located within 330 feet from the proposed well location.

6. Applicant has sent by regular mail a copy of this Application and Notice to all persons listed on the attached Exhibit "1."

7. The acreage to be attributable to the well will be the 10 acres surrounding the well and Applicant requests the well be assigned a full allowable.

8. That Applicant is causing Notice of this pending Application to be published as required by the Commission, in *The Wichita Eagle* and *The Garden City Telegram* newspapers. Said notice provides that unless written protest is received by the Commission within fifteen (15) days after the date of publication of said notice, the Applicant in this matter will be granted administrative approval of the Application after the 15 day period.

WHEREFORE, Applicant prays that this cause be docketed and in the event that no protest is made to the Commission within the time period provided, an Order be entered granting the well location exception of the Reeve 2 well.

MERIT ENERGY COMPANY, LLC

By

Stanford J. Smith, Jr. MARTIN, PRINGLE, OLIVER, WALLACE & BAUER, L.L.P. 100 North Broadway, Suite 500 Wichita, KS 67202 Telephone: (316) 265-9311 Attorneys for the Applicant

VERIFICATION

STATE OF KANSAS)) ss: COUNTY OF SEDGWICK)

COMES NOW, Stanford J. Smith, Jr., of lawful age, being first duly sworn on his oath states:

That he is employed by Merit Energy Company, LLC, as its attorney and is authorized to make this verification; that he has read the above and foregoing Application 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.

Stanford J. Smith, Jr.

SUBSCRIBED AND SWORN to before me this Hild day of April, 2017.

A DEBRA J. JACKSON Notary Public - State of Kansas My Appt. Expires / 0/19/00/00

Action

My Appointment Expires:

EXHIBIT I WORKING AND ROYALTY INTEREST OWNERS

LEGACY ROYALTIES LTD P O BOX 1360 TYLER, TX 75710

C DEAN GIGOT 955 S CIRCLE LAND ROAD GARDEN CITY, KS 67846

LAUREL E HANDLEY 23810 PIONDEXTER RD LEE'S SUMMIT, MO 64086

DONA LOU MEISINGER 5600 W 84TH STREET OVERLAND PARK, KS 66207

JAMES S COWGILL & EMILY E COWGILL TRUST DATED 6/3/98 8426 WEST 97TH PLACE WESTMINSTER, CO 80021

GLAZER BUSINESS INVESTMENT CO LTD C/O LOPATA, FLEGEL & COMPANY LLP STE 10 600 MASON RIDGE CENTER DR ST LOUIS, MO 63141

DBS MINERALS LLC 3326 FRY AVENUE TYLER, TX 75701

PHILLIP ROGER DICK REV TR DTD 8/26/04 SHERYL J DICK, TRUSTEE 10984 SOUTH PARISH ST OLATHE, KS 66061 SCHIFFELBEIN LIVING TRUST JAMES A & ANDREA SCHIFFELBEIN TRUSTEES 7352 DRIFTWOOD SE ADA, MI 49301

GARY D DICK TRUST GARY D & RAYLENE J DICK TRUSTEES BOX 1215 GARDEN CITY, KS 67846

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

SERVATION DIVISION
ENSE NO. 32446

NOTICE OF PENDING APPLICATION

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS:

ALL OIL AND GAS PRODUCERS AND OIL AND GAS PURCHASERS, ROYALTY OWNERS, LAND OWNERS, AND ALL PERSONS WHATSOEVER CONCERNED:

YOU, and each of you, are hereby notified that Merit Energy Company, LLC, has filed an Application with the State Corporation Commission of the State of Kansas requesting a location exception to the Reeve 2 well located 925 feet from the South line and 290 feet from the West line in the SW/4 of Section 14, Township 25 South, Range 33 West, Finney County, Kansas.

YOU are further notified that unless written protest is received by the State Corporation Commission within 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, Room 220, Wichita, KS 67202, and to the Applicant at the address below.

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 Manager 13727 Noel Road, Suite 1200 Dallas, Texas, 75240 (972) 628-1041