

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

Before Commissioners: Susan K. Duffy, Chair
Dwight D. Keen
Andrew J. French

In the matter of the application of Merit Energy) Docket No: 23-CONS-3003-CEXC
Company, LLC for an exception to the 10-year time)
limitation of K.A.R. 82-3-111 for its Winter Morrow) CONSERVATION DIVISION
Unit #105W well in the South Half of the Southeast)
Quarter of the Northwest Quarter Section 13, Township) License No: 32446
33 South, Range 43 West, Morton County, Kansas.)

ORDER GRANTING APPLICATION

The Commission rules as follows:

I. JURISDICTION

1. K.S.A. 74-623 provides the Commission exclusive jurisdiction and authority to regulate oil and gas activities in Kansas. K.A.R. 82-3-100 provides that the Commission may grant an exception to any regulation after application and notice, and after considering whether the exception will prevent waste, protect correlative rights, and prevent pollution.

2. K.A.R. 82-3-111 requires wells that are inactive for more than 90 days, or in some circumstances more than 364 days, to be plugged or approved for temporary abandonment (TA) status. Under K.A.R. 82-3-111(b), a well shall not be eligible TA status if it has been shut-in for ten or more years, unless the Commission has granted an application for a regulatory exception.

II. FINDINGS OF FACT

3. Merit Energy Company, LLC (Operator) is licensed to conduct oil and gas activities in Kansas and is responsible for the Winter Morrow Unit #105W well (Subject Well), API #15-129-21741. On July 8, 2022, Operator filed an Application requesting an exception to the 10-year limit on TA status for the Subject Well. On December 21, 2022, Commission Staff motioned for the designation of a presiding officer and the setting of a prehearing conference,

citing the lack of a casing integrity test for the Subject Well. On January 10, 2023, the Commission granted Staff's motion. On January 18, 2023, Staff filed a recommendation that Operator's application be granted, stating Operator has now demonstrated casing integrity.

4. The Commission finds that Operator served and published notice of its Application at least 15 days before the issuance of this Order, as required under K.A.R. 82-3-135a, and that no protest was filed under K.A.R. 82-3-135b. The Commission further finds that the reasons articulated in Operator's Application and the results of the casing integrity test are sufficient to support the administrative grant of Operator's Application.

III. CONCLUSIONS OF LAW

5. The Commission has jurisdiction over Operator and Operator's Application. Operator's Application was filed in accordance with the rules and regulations of the Commission and in accordance with Kansas statutes. Operator properly served and published notice.

6. Based on the above facts, Operator's Application should be granted. Operator has demonstrated a potential future use for the Subject Well that is preventative of waste. There is no apparent present pollution threat, and correlative rights will not be affected.

THEREFORE, THE COMMISSION ORDERS:

A. Operator's Application for an exception to the 10-year limit on TA status for the Subject Well is granted for three years, calculated from the date the Application was filed.

B. Operator must file an annual TA form for the Subject Well. The first TA form shall be filed within 30 days.

C. The January 26, 2023, prehearing conference is cancelled.

D. Operator's Application is being granted via summary proceedings; thus, this Order does not take effect until after the time for requesting a hearing has expired.¹ Any party

¹ See K.S.A. 77-537.

may request a hearing on the above issues by submitting a written request setting forth the specific grounds upon which relief is sought, to the Commission at 266 N. Main, Suite 220, Wichita, Kansas 67202, within 15 days from the date of service of this Order.² If a hearing is not requested, then this Order shall become effective upon expiration of the time for requesting hearing.³ If this Order becomes effective, then any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁴

BY THE COMMISSION IT IS SO ORDERED.

Duffy, Chair; Keen, Commissioner; French, Commissioner

Date: 01/24/2023



Lynn M. Retz
Executive Director

Date Mailed: 01/24/2023

JRM

² See K.S.A. 77-542.

³ See K.S.A. 77-537.

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

CERTIFICATE OF SERVICE

23-CONS-3003-CEXC

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 01/24/2023.

ROBYN HAYES, ADMINISTRATIVE SPECIALIST
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
DODGE CITY, KS 67801
r.hayes@kcc.ks.gov

MICHAEL MAIER
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
DODGE CITY, KS 67801
m.maier@kcc.ks.gov

KELCEY MARSH, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
k.marsh@kcc.ks.gov

JONATHAN R. MYERS, ASSISTANT GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
266 N. Main St., Ste. 220
WICHITA, KS 67202-1513
j.myers@kcc.ks.gov

KENNY SULLIVAN, DISTRICT #1 SUPERVISOR
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
DODGE CITY, KS 67801
k.sullivan@kcc.ks.gov

STANFORD J. SMITH, JR., ATTORNEY
MARTIN, PRINGLE, OLIVER, WALLACE & BAUER, LLP
645 E. DOUGLAS STE 100
WICHITA, KS 67202-3557
sjsmith@martinpringle.com

KATHERINE MCCLURKAN, REGULATORY ANALYST
MERIT ENERGY COMPANY, LLC
13727 NOEL ROAD, SUITE 1200
DALLAS, TX 75240
kathy.mcclurkan@meritenergy.com

/S/ KCC Docket Room

KCC Docket Room