

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

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

In the Matter of the Application of Neal LaFon    ) Docket No. 23-CONS-3073-CWLE  
Realty Inc. dba Meridian Energy Inc. for a well    )  
location exception and allowable for its Bemis    ) CONSERVATION DIVISION  
#1 well, to be located in the Northwest Quarter    )  
of Section 33, Township 13 South, Range 19    ) License No. 33937  
West, Ellis 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.
2.        K.A.R. 82-3-108(a) provides that the setback requirement for oil and gas wells shall be 330 feet from any lease or unit boundary line, except as provided in subsection (b) or (c).
3.        K.A.R. 82-3-108(b) provides that an oil well drilled to a total depth of less than 2,000 feet in any of the following counties in eastern Kansas shall be subject to a setback of 165 feet from any lease or unit boundary: Allen, Anderson, Atchison, Bourbon, Brown, Cherokee, Coffey, Crawford, Douglas, Elk, Franklin, Greenwood, Jackson, Jefferson, Johnson, Labette, Leavenworth, Linn, Lyon, Miami, Montgomery, Neosho, Osage, Shawnee, Wilson, Woodson, and Wyandotte. Further, wells drilled to a total depth of less than 2,500 feet in Chautauqua County are subject to the 165-foot setback.

4. K.A.R. 82-3-108(c) provides that the Commission may grant an exception to well setback requirements, and adjust assigned allowables, if necessary either to prevent waste or protect correlative rights.

5. K.A.R. 82-3-207 provides that a standard oil-well drilling unit shall be 10 acres, except that the standard drilling unit for counties and well depths listed in K.A.R. 82-3-108(b) shall be 2.5 acres.

## **II. FINDINGS OF FACT**

6. On August 31, 2022, Neal LaFon Realty Inc. dba Meridian Energy Inc. (Operator) filed an Application requesting a well location exception and full oil and gas allowable for its proposed Bemis #1 well (Subject Well). Operator intends to drill the Subject Well at a surface location 2,440 feet from the North line and 1,300 feet from the West line of Section 33, Township 13 South, Range 19 West in Ellis County, Kansas.<sup>1</sup> This causes the Subject Well's location to be 221 feet from the southern lease boundary.<sup>2</sup>

7. Operator requests an exception pursuant to K.A.R. 82-3-108(c).<sup>3</sup> Operator seeks a well location exception for the Subject Well because the Subject Well will be drilled less than 330 feet from the nearest lease or unit boundary.<sup>4</sup> The proposed location is necessary to test each of Operator's target formations for hydrocarbon reserves and to optimize the recovery from each formation; further, moving the Subject Well's location outside of the minimum setback would prevent Operator from drilling the optimum geologic location.<sup>5</sup>

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<sup>1</sup> See Application for Well Location Exception and Allowable, ¶4 (Aug. 31, 2022).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* at ¶6.

<sup>4</sup> *Id.* at ¶6.

<sup>5</sup> See *id.* at ¶7.

8. Operator served and published notice at least 15 days before the issuance of this Order, as required under K.A.R. 82-3-108(f) and K.A.R. 82-3-135a(d). No protest was filed under K.A.R. 82-3-135b.

9. Commission Staff recommends that Operator's Application be granted. Further, Commission Staff believes the drilling of the Subject Well will prevent waste, protect correlative rights, and that granting Operator's application raises no pollution issues.

### **III. CONCLUSIONS OF LAW**

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

11. Operator's Application was filed in accordance with the rules and regulations of the Commission and in accordance with Kansas statutes.

12. Notice was properly served and published. No protest was filed.

13. Operator's Application should be granted to prevent waste. Operator's Application appears protective of correlative rights, and raises no apparent pollution issues.

#### **THEREFORE, THE COMMISSION ORDERS:**

A. Operator's Application for a well location exception for the Subject Well under K.A.R. 82-3-108 is granted. The Subject Well is assigned a full oil and gas allowable. The Subject Well shall have a standard drilling unit, except that the acreage of the drilling unit shall be reduced along the southern side to match the lease line.<sup>6</sup>

B. Operator's Application is being granted via summary proceeding; thus, this Order does not take effect until after the time for requesting a hearing has expired.<sup>7</sup> Any party 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,

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<sup>6</sup> Application, ¶11.

<sup>7</sup> See K.S.A. 77-537.

within 15 days from the date of service of this Order.<sup>8</sup> If a hearing is not requested, then this Order shall become effective upon expiration of the time for requesting hearing.<sup>9</sup>

C. 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).<sup>10</sup>

**BY THE COMMISSION IT IS SO ORDERED.**

Keen, Chair; Duffy; Commissioner, French, Commissioner.

Dated: 11/17/2022



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Lynn M. Retz  
Executive Secretary

Mailed Date: 11/17/2022

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<sup>8</sup> See K.S.A. 77-542.

<sup>9</sup> See K.S.A. 77-537.

<sup>10</sup> See K.S.A. 55-606; K.S.A. 77-503(c); K.S.A. 77-531(b).

## **CERTIFICATE OF SERVICE**

23-CONS-3073-CWLE

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 11/17/2022.

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