

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION)	DOCKET NO. 18-CONS- <u>3323</u> -CWLE
OF MERIT ENERGY COMPANY, LLC,)	
FOR THE ASSIGNMENT OF AND A)	
LOCATION EXCEPTION FOR THE)	CONSERVATION DIVISION
RIVER BEND 4 WELL LOCATED 612')	
FNL AND 180' FWL OF SECTION 35,)	
TOWNSHIP 24 SOUTH, RANGE 32)	LICENSE NO. 32446
WEST, IN FINNEY COUNTY, KANSAS)	
_____)	

APPLICATION

COMES NOW Merit Energy Company, LLC, 13727 Noel Road, Suite 1200, Dallas, TX 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 numerous wells located in Finney County, Kansas.
2. The Applicant proposes to drill the River Bend 4 at a location of 612 feet from the North line and 180 feet from the West line of Section 35, Township 24 South, Range 32 West, Finney County, Kansas, and complete the well in the St. Louis formation.
3. That the River Bend 4 well will not be drilled at a regular location as prescribed by K.A.R. 82-3-108 in that it will be closer than 330 feet from a lease boundary line.
4. That the Applicant seeks to drill the River Bend 4 well at the requested location in order to maximize its geological position and encounter a narrow channel in the St. Louis formation and maximize recovery from the St. Louis formation in the subject area.
5. The St. Louis formation is not subject to a special order or basic proration order of the Commission and as such a standard drilling unit is established by K.A.R. 82-3-207 as ten acres. Applicant seeks to assign a full ten acres to the River Bend 4 well and to receive a full allowable therefor.
6. That the Applicant has a market for the subject well and the production and sale from the River Bend 4 well will be in accordance with the rules and regulations

of the Commission and for purposes permitted by the laws of the State of Kansas so as not to constitute waste.

7. That there are no unleased offset mineral owners. Applicant is the offset operator. Attached as Exhibit "1" is a listing of the names of Applicant's lessor(s) in the lease operated by Applicant that is situated less than the minimum distance from the proposed well location.

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

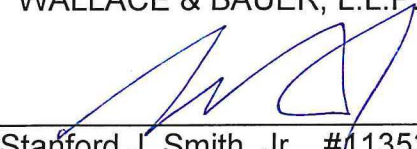
9. That attached hereto and made a part of this Application marked Exhibit "2" is a Plat showing the property on which the River Bend 4 well is sought to be drilled and completed, partially drilled or permitted wells on the property and all adjacent property and wells.

10. That Applicant is causing the 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 a written protest is received by the Commission within 15 days after the date of publication of said Notice, the Application in this matter will be granted administrative approval 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 location exception and assignment of a full allowable at the appropriate time to the River Bend 4 well and that Applicant be permitted to drill the well and complete in the St. Louis formation.

Respectfully submitted,

MARTIN, PRINGLE, OLIVER,
WALLACE & BAUER, L.L.P.



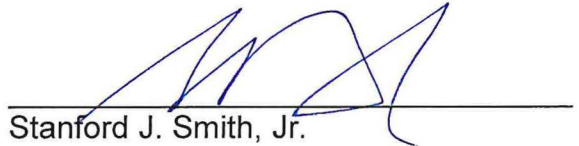
Stanford J. Smith, Jr. #11353
100 North Broadway, Suite 500
Wichita, KS 67202
Attorneys for OXY USA Inc.

VERIFICATION

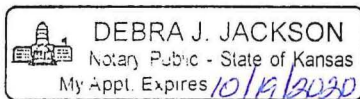
STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

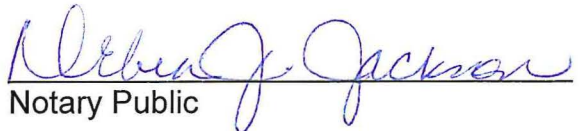
COMES NOW, Stanford J. Smith, Jr., of lawful age, being first duly sworn on his oath states:

That he is employed by Merit Energy Company, LLC, as their 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 12th day of February, 2018.



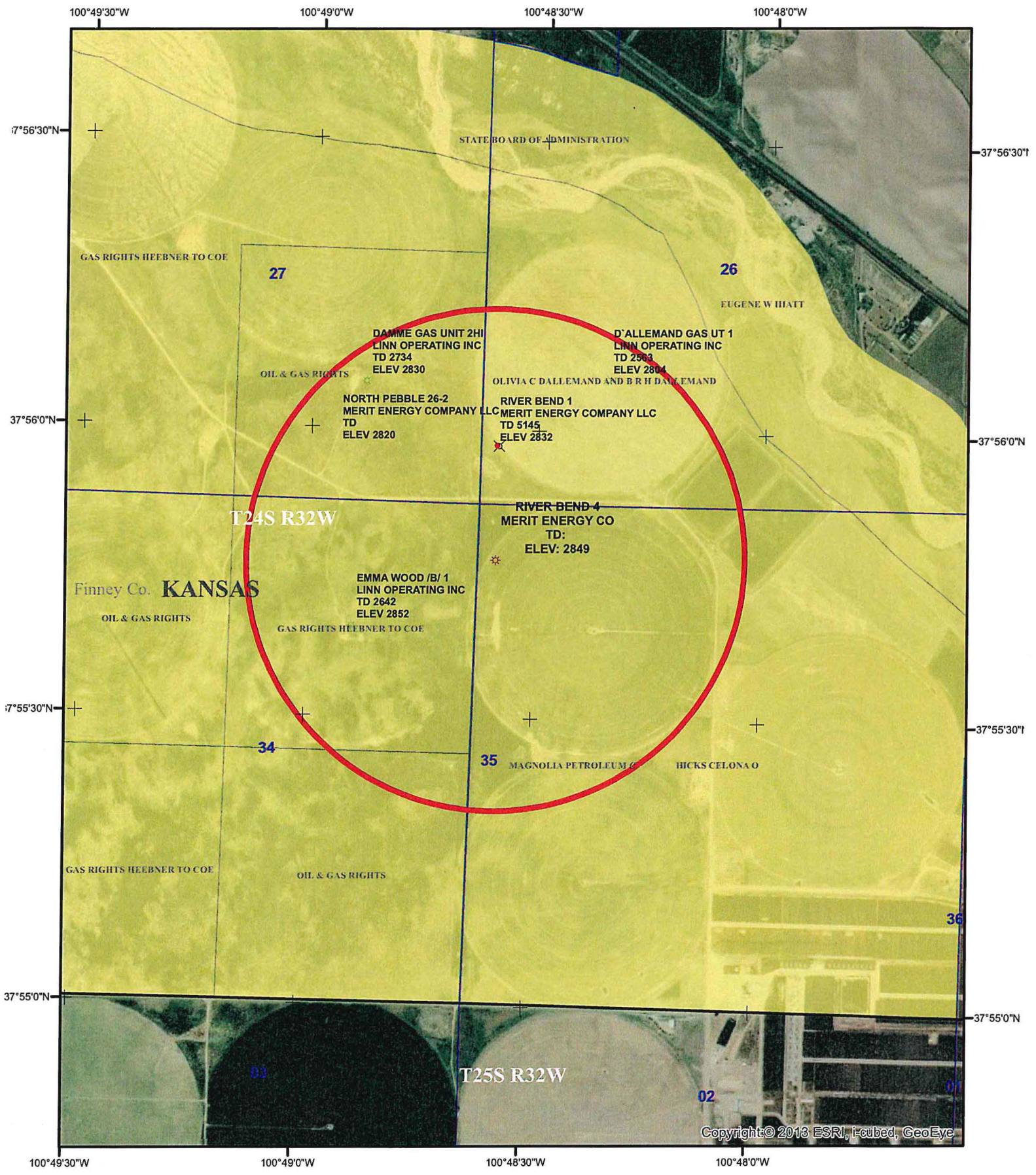

Notary Public

My Appointment Expires:
10/19/2020

EXHIBIT 1

OFFSET LESSOR(S)

Lora Damme, Managing Partner
William H. and Erma C. Damme Farms, L.L.C.
PO Box 36
Talmage, NE 68448-0036



- di_Wells
- DRY ABAND LOC
- GAS WELL
- OIL WELL
- WELL PERMIT

HALF MILE BUFFER
 MERIT LEASEHOLD

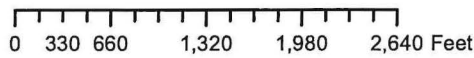


EXHIBIT 2

MERIT ENERGY COMPANY

RIVER BEND 4 W/
1/2 MILE BUFFER

FINNEY CO., KANSAS

Map by: Richard Norzagaray

Date: Friday, February 09, 2018

Coordinate System:
NAD 1927 StatePlane Kansas South FIPS 1502

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NOTICE OF PENDING APPLICATION

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS TO:

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 an Order for the assignment of allowable at the appropriate time and a location exception to the River Bend 4 well located 612 feet from the North line and 180 feet from the West line of Section 35, Township 24 South, Range 32 West, Finney County, Kansas.

YOU are further notified that the Applicant will drill the well and complete in the St. Louis formation, and requests assignment of a full allowable to the River Bend 4 well.

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, Suite 220, Wichita, Kansas 67202 and to the Applicant at the address below.

All parties in anywise interested or concerned shall take notice of the foregoing and govern themselves accordingly.

MERIT ENERGY COMPANY, LLC
By: Katherine McClurkan
Regulatory Analyst
13727 Noel Road, Suite 120
Dallas, TX 75240
(972) 628-1660