

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION)	DOCKET NO. 18-CONS- <u>3376</u> -CWLE
OF MERIT ENERGY COMPANY, LLC,)	
FOR THE ASSIGNMENT OF AND A)	
LOCATION EXCEPTION FOR THE)	CONSERVATION DIVISION
RIVER BEND 5 WELL LOCATED 186')	
FNL AND 280' FEL OF LOT 1, SECTION)	
27, 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 5 at a location of 186 feet from the North line and 280 feet from the East line of Lot 1, Section 27, Township 24 South, Range 32 West, Finney County, Kansas, and complete the well in the St. Louis formation.

3. That the River Bend 5 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 5 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. The location exception is based purely on the geologic setting into which the River Bend 5 will be drilled. The River Bend oil production area is comprised of wells producing from an oil-bearing sand found at the base of an incised narrow Chesterian-aged channel. The channel averages approximately 800' in width, necessitating very accurate placement of each offset well. The proposed River Bend 5 location is positioned west of the River Bend 3. This distance falls within the optimal well spacing for development within the channel but places the location within the 330' lease line distance limitation. Relocating of the current River Bend 5 proposed location westward will cause the well to miss the productive channel sands.

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 5 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 5 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".

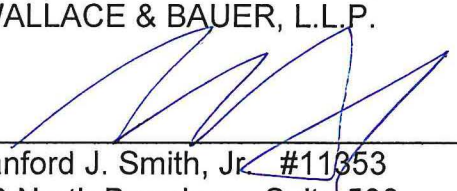
9. That attached hereto and made a part of this Application marked Exhibit "2" is a Plat showing the property on which the River Bend 5 well is sought to be drilled and completed, partially drilled or permitted wells on the property and all adjacent property and wells.

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 5 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.



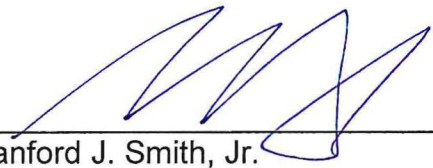
Stanford J. Smith, Jr. #11353
100 North Broadway, Suite 500
Wichita, KS 67202
Attorneys for OXY USA Inc.

VERIFICATION

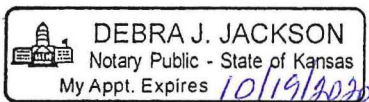
STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

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 9th day of May, 2018.




Notary Public

My Appointment Expires:
10/19/2020

EXHIBIT 1

OFFSET LESSOR(S)

Section 22: JEFECO Investments, LLC
PO BOX 918
Garden City, KS 67846

Arkoma Basin Exploration Company
c/o Arkoma Basin Mineral, Inc.
203 East Interstate 30
Rockwall, TX 75087

The Board of Trustees of Leland Stanford
Junior University
c/o Bank of America
PO Box 840738
Dallas, TX 75284

Chesapeake Royalty Company
PO Box 18496
Oklahoma City, OK 73154-0496

Hugoton II Partnership
c/o JP Morgan Chase Bank
PO Drawer 99084
Fort Worth, TX 76199

Regent Oil & Gas Company, L. P.
PO Box 25204
Dallas, TX 75225

Kansas Royalty Holdings
c/o Levent Kecik
705 Sunset Hill
Rockwall, TX 75087

State of Kansas
Director of Revenue
Oil & Gas Division
915 SW Harrison, 3rd Floor
Topeka, KS 66625

Sylvia L. Lehman, Kylie
E. Mohler and Dana B. Lehman,
as joint tenants
c/o Sylvia Lehman
2906 Mt. Gretna Rd.
Elizabethtown, PA 17022

ARJO Properties, LTD
PO Box 4827
Horseshoe Bay, TX 78657

Nadine V. Hall (probably deceased in 2004)
2001 address:
16620 County Rd 220
Salida, CO 81201
(a reasonable search shows that she died
in 2004 in Colorado~ no probate found)

National By-Products, Inc.
PO Box 615
Des Moines, IA 50303

Thomas Felix, Arminda Felix, Jose Luis
Felix and Mayra Felix, as joint tenants
PO Box 2147
Garden City, KS 67846

Transportation Partners & Logistics, LLC
PO Box 51647
Casper, WY 82605

O'Brate Realty, L.L.C.
PO Box 1195
Garden City, KS 67846

Bonanza BioEnergy L.L.C.
1701 N. Kansas Ave.
Liberal, KS 67901

Concrete By-Products of Garden City, Inc.
(this corporation was dissolved in 1998 per
Kansas Sec. of State website)
could be care of Glen Woods
1910 E. Harding
Garden City, KS 67846

Section 23: Swift Beef Company
successor to Val Agri, Inc.
1770 Promontory Circle
Greeley, CO 80634

Virginia Ann Baker
112 Mohawk
Hiawatha, KS 66434

Virginia Ann Baker
522 3rd Street
Hiawatha, KS 66434

Sandra Knowles
1206 Northwestern
Perryton, TX 79070

Sandra Knowles
12 Rex Circle
Salida, CO 81202

Frances Ruth Shalla Trust
Life Estate Remainderman: Donald
Gary Shalla, Robert David Shall,
Richard Allan Shalla
c/o Sandra Knowles
1206 Northwestern
Perryton, TX 79070

Frances Ruth Shalla Trust
Life Estate Remainderman: Donald
Gary Shalla, Robert David Shall,
Richard Allan Shalla
c/o Sandra Knowles
12 Rex Circle
Salida, CO 81202

BJS Main, LLC
1101 Mockingbird Lane
Garden City, KS 67846

Section 26: Brookover Land Enterprises LP
P. O. Box 917
Garden City, KS 67846

Delbert Stinemetz
P. O. Box 75
Garden City, KS 67846

WORKING INTEREST OWNERS

Section 22: Manuel Corporation
2020 North Bramblewood
Wichita, KS 67208

Beresco Properties, Inc.
2020 North Bramblewood
Wichita, KS 67208

Aikman Brothers, LLC
2201 Civic Circle, Suite 509
Amarillo, TX 79109

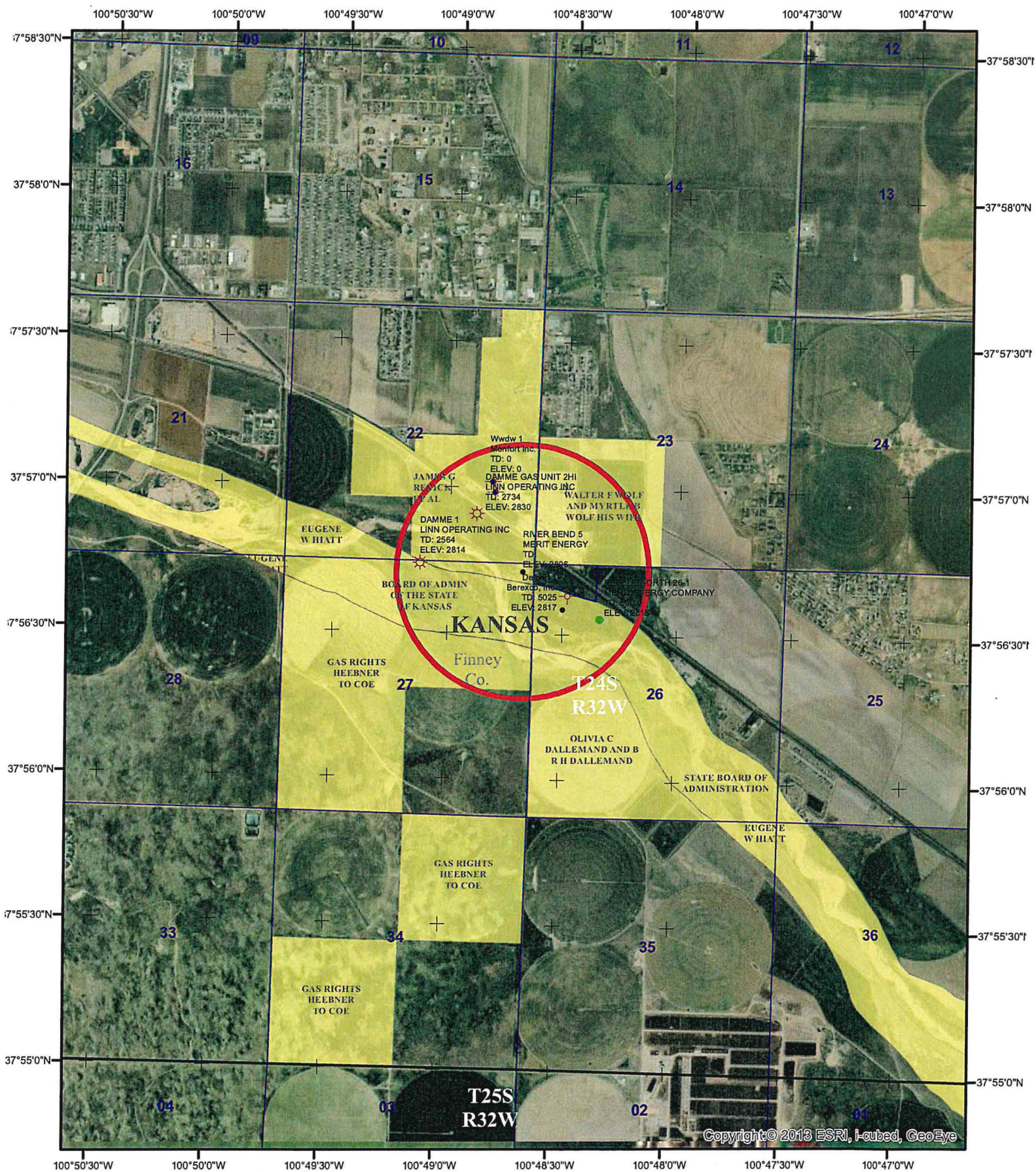
El Terico, LLC
P. O. Box 2606
Amarillo, TX 79105

Rhodes Interests, LTD
110 West Louisiana Avenue
Midland, TX 79701

Olive H. Daube
c/o Daube Partnership LTD
P. O. Box 38
Ardmore, OK 73402

Carol Daube Sutton
c/o Sutton-Williams, LP
P. O. Box 38
Ardmore, OK 73402

Jere Clayton Hubbard
c/o Craig E. Hubbard
303 West Wall Street
Midland, TX 79701



- OIL
- ⊗ GAS
- ⊗ AB-LOC
- ⊗ D&A
- OIL
- OTHER
- ⊗ OTHER-P&A

MER LSE RVRBND5
RVRBND5_BFR

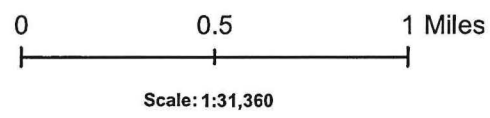


EXHIBIT 2
MERIT ENERGY COMPANY
RIVER BEND 5 W/
1/2 MILE BUFFER
FINNEY CO., KANSAS

Map by: Richard Norzagaray
Date: Tuesday, May 08, 2018
Coordinate System:
NAD 1983 StatePlane Kansas South FIPS 1502 Feet

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OF THE STATE OF KANSAS

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27, TOWNSHIP 24 SOUTH, RANGE 32)	LICENSE NO. 32446
WEST, IN FINNEY COUNTY, KANSAS)	
_____)	

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 5 well located 186 feet from the North line and 280 feet from the East line of Lot 1, Section 27, 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 5 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