

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

17-CONS-3002-CEXC

IN THE MATTER OF THE APPLICATION)	DOCKET NO. 16-CONS _____ -CEXC
OF MERIT ENERGY COMPANY, LLC,)	
FOR AN EXCEPTION TO THE 10-YEAR)	
TIME LIMITATION OF K.A.R. 82-3-111)	CONSERVATION DIVISION
FOR ITS MLP ESCUE A-1 WELL IN THE)	
NORTHWEST QUARTER OF THE)	
NORTHWEST QUARTER OF SECTION)	LICENSE NO. 32446
34, TOWNSHIP 31 SOUTH, RANGE 39)	
WEST, STEVENS COUNTY, KANSAS.)	
_____)	

APPLICATION

COMES NOW, Merit Energy Company ("Merit"), by and through its attorney, Stanford J. Smith, Jr., and in support of its Application in the above captioned matter states as follows:

1. Merit is authorized to do business in the State of Kansas, and has a street address of 13727 Noel Road, Suite 1200, Dallas, Texas, 75240.
2. The Kansas Corporation Commission has issued Merit operator's license 32446, which expires on May 30, 2016.
3. Merit is the owner and operator of the MLP Escue A-1 well, which is located in the Northwest Quarter of the Northwest Quarter of Section 34, Township 31 South, Range 39 West, Stevens County, Kansas, API # 15-189-21804-00-00. The subject well is located on an active oil and gas lease or unit comprising the following lands:

Northwest Quarter of Section 34, Township 31 South, Range 39
West, Stevens County, Kansas.

4. The MLP Escue A-1 was originally perforated in the Morrow formations but was not actively produced and was shut-in as inactive.

5. Pursuant to K.A.R. 82-3-111, Merit sought and obtained temporary abandoned status for said well on or about October 15, 2005.

6. On or about February 2, 2016, the Kansas Corporation Commission notified Merit of the KCC's denial of renewal of temporary abandonment status for the well due to the limitation period of ten (10) years imposed by K.A.R. 82-3-111.

7. K.A.R. 82-3-111 provides for an exception to said 10-year limitation upon the filing of an application pursuant to K.A.R. 82-3-100. Merit seeks such an exception for said well.

8. Merit has not placed the MLP Escue A-1 well that is the subject of this Application back into service nor plugged and abandoned same in said three-year period, Merit seeks renewal of temporary abandoned status for this well via filing of KCC Form CP 111 for the well.

9. K.A.R. 82-3-111 does not limit an applicant to a single exception to the 10-year limitation therein, Merit files this Application pursuant to K.A.R. 82-3-100, seeking a exception for the subject well.

10. A Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within fifty (50) feet above the uppermost perforations is pending.

11. At this time, Merit is planning a waterflood pilot project in the Upper Morrow Formation in the Winter Field, in which the subject well is situated, and if such pilot project should prove successful, said well could be converted to water injection for

use in an expanded Upper Morrow waterflood project at an estimated cost of \$200,000, based on current pricing.

12. Merit estimates the cost to plug and abandon this well in the near term at \$27,000 per well, based on current pricing.

13. Merit intends to put the well back into service within the three (3) year extension period for temporary abandoned status requested hereunder, consistent with technical feasibility and economic market factors considered.

14. Merit has included a plat map, attached as Exhibit A, showing the locations of all producing, injection, temporarily abandoned, abandoned and plugged wells located on the same lease premises as the subject well.

15. Based on the foregoing, Merit requests the Commission grant an exception to the 10-year limitation, specifically to allow the MLP Escue A-1 well to remain eligible for temporary abandonment status for three (3) years following the expiration of 10-year limitation. Merit understands that the exception would be valid for three (3) years, but Merit would still need to apply annually to the Conservation Division District Office for approval of an Application for temporary abandonment status.

16. Listed in attached Exhibit B are the names and addresses of the following persons:

A. Each operator of each oil and gas lease covering lands within one-half (1/2) mile radius of the subject well; and

B. Each person who owns any mineral interest of record in and under any lands located within one-half (1/2) mile radius of the subject well if unleased.

17. Notice of this Application will be published pursuant to K.A.R. 82-3-135a.

18. WHEREFORE, Merit prays that this matter be granted administratively without a hearing, or in the alternative be set for hearing, and upon hearing that the Commission grant Merit's request for an exception to the K.A.R. 82-3-111 10-year limitation, to allow the subject well to remain temporarily abandoned for three (3) years, subject to annual approval by the Conservation Division District Office of an application for temporary abandonment status.

Respectfully submitted,

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

By



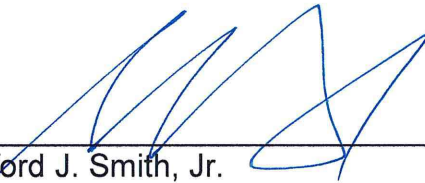
Stanford J. Smith, Jr.
100 North Broadway, Suite 500
Wichita, KS 67202
(316) 265-9311
Attorney for Merit Energy Company

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

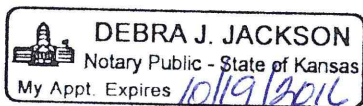
STANFORD J. SMITH, JR., of lawful age, being first duly sworn, upon oath states:


That he is the attorney for Merit Energy Company, applicant herein; that he has read the above and foregoing Application of Merit Energy Company 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.

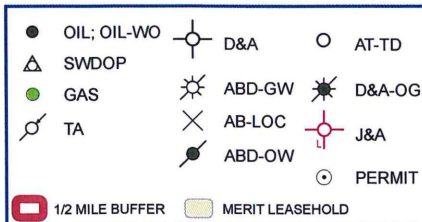
SUBSCRIBED and sworn to before me this 30th day of June, 2016.





Notary Public

My Appointment Expires:
10/19/2016



0 500 1,000 Feet



EXHIBIT A

MERIT ENERGY COMPANY

MLP ESCUE A 1
W/ 1/2 MILE BUFFER
STEVENS CO., KANSAS

Map by: Richard Norzagaray
Date: JUNE 27, 2016
Projection: State Plane Kansas South NAD 27

Scale: 1:12,000

EXHIBIT B

Merit Energy Company, LLC
13727 Noel Road, Suite 1200
Dallas, TX 75240

Linn Operating, Inc.
600 Travis, Suite 5100
Houston, TX 77002

Trans Pacific Oil Corporation
100 South Main, Suite 200
Wichita, KS 67202

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

IN THE MATTER OF THE APPLICATION)	DOCKET NO. 16-CONS-____-CEXC
OF MERIT ENERGY COMPANY, LLC,)	
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NORTHWEST QUARTER OF SECTION)	LICENSE NO. 32446
34, TOWNSHIP 31 SOUTH, RANGE 39)	
WEST, STEVENS COUNTY, KANSAS.)	
_____)	

NOTICE OF PENDING APPLICATION

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

TO: ALL OIL AND GAS PRODUCERS, UNLEASED MINERAL INTEREST OWNERS, LANDOWNERS, AND ALL PERSONS WHOMSOEVER CONCERNED:

YOU, and each of you, are hereby notified that Merit Energy Company has filed an Application for an exception to the ten-year time limitation of K.A.R. 82-3-111 for the MLP Escue A-1 well, located in the Northwest Quarter of the Northwest Quarter of Section 34, Township 31 South, Range 39 West, Stevens County, Kansas, API # 15-189-21804-00-00.

YOU are further notified that unless written protest is received by the State Corporation Commission within fifteen (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 shown.

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

Merit Energy Company.
By: Arlene Valliquette
North Division Regulatory Manager
13727 Noel Road, Suite 1200
Dallas, Texas, 75240
(972) 628-1041