

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

Before Commissioners: Dwight D. Keen, Chair
 Shari Feist Albrecht
 Susan K. Duffy

In the Matter of the Application of Merit) Docket No. 20-CONS-3063-CEXC
Energy Company, LLC for an Exception to)
the 10-Year Time Limitation of K.A.R. 82-) CONSERVATION DIVISION
3-111 for its Wright C-1 Well in the North)
Half of the Southwest Quarter of the) License No. 32446
Southeast Quarter of the Southwest Quarter)
of Section 13, Township 29 South, Range)
33 West, Haskell County, Kansas.)

ORDER GRANTING APPLICATION

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, and being duly advised in the premises, the Commission makes the following findings:

I. JURISDICTION

1. The Commission has the exclusive jurisdiction and authority to regulate oil and gas activities in Kansas.¹
2. A well shall not be eligible for TA status if the well has been shut in for 10 years or more without an application for an exception pursuant to K.A.R. 82-3-100 and approval by the Commission.²
3. An exception to the requirements of any regulation in this article may be granted by the Commission, after considering whether the exception will prevent waste, protect

¹ K.S.A. 74-623

² K.A.R. 82-3-111(b)

correlative rights, and prevent pollution. Each party requesting an exception shall file an application with the conservation division.³

II. FINDINGS OF FACT

4. Merit Energy Company, LLC (“Operator”) conducts oil and gas activities in Kansas under active license number 32446.

5. On August 22, 2019, Operator filed an application requesting an exception to the 10-year limit on TA status for the Wright C-1 well, API #15-081-20471. On October 28, 2019, Operator filed an amended application.

6. Operator has verified that notice was properly served and published, as required under K.A.R. 82-3-135a, at least 15 days before the issuance of this Order.

7. No protest was filed under K.A.R. 82-3-135b.

8. On September 20, 2019, Operator successfully tested the subject well for mechanical integrity.⁴

9. The Commission finds the amended application and the mechanical integrity test sufficient to support the administrative grant of the application.

III. CONCLUSIONS OF LAW

10. The Commission concludes that it has jurisdiction over Operator and this matter.⁵

11. The Commission concludes that Operator’s amended application was filed in accordance with the rules and regulations of the Commission and in accordance with Kansas statutes.

12. The Commission concludes that notice was properly served and published.

³ K.A.R. 82-3-100(b).

⁴ To reach this finding, the Commission takes administrative notice of its records. *See* 82-1-230(h).

⁵ K.S.A. 74-623(a).

13. Based on the above facts, the Commission concludes that the amended application should be granted to prevent waste and protect correlative rights, because Operator has demonstrated a potential future use for the well, and there is not a present threat to fresh and usable water.

THEREFORE, THE COMMISSION ORDERS:


A. Operator's amended 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. Operator must file an annual TA form for the subject well. The first TA form shall be filed within 30 days.

B. 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).⁶

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Albrecht, Commissioner; Duffy, Commissioner

Date: 11/07/2019



Lynn M. Retz
Executive Director

Date Mailed: 11/07/2019

KAM

⁶ K.S.A. 55-162; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

20-CONS-3023-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 11/07/2019.

SCOTT ALBERG, DISTRICT #1 SUPERVISOR
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
DODGE CITY, KS 67801
Fax: 785-271-3354
s.alberg@kcc.ks.gov

KELCEY MARSH, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
Fax: 785-271-3354
k.marsh@kcc.ks.gov

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

MICHELE PENNINGTON
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
DODGE CITY, KS 67801
Fax: 785-271-3354
m.pennington@kcc.ks.gov

STANFORD J. SMITH, JR., ATTORNEY
MARTIN, PRINGLE, OLIVER, WALLACE & BAUER, LLP
645 E. DOUGLAS STE 100
WICHITA, KS 67202
Fax: 316-265-2955
sjsmith@martinpringle.com

/S/ DeeAnn Shupe

DeeAnn Shupe