

**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-3075-CEXC
Energy Company, LLC for an exception to	)	
the 10-year time limitation of K.A.R. 82-3-	)	CONSERVATION DIVISION
111 for its FMU 301 well in the Southeast	)	
Quarter of the Northwest Quarter of the	)	License No. 32446
Northeast Quarter of Section 25, Township	)	
27 South, Range 34 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.<sup>1</sup>

2. A well shall not be eligible for temporary abandonment (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.<sup>2</sup> An exception may be granted by the Commission, after considering whether the exception will prevent waste, protect correlative rights, and prevent pollution. Each party requesting an exception shall file an application with the conservation division.<sup>3</sup>

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<sup>1</sup> K.S.A. 74-623.

<sup>2</sup> K.A.R. 82-3-111(b).

<sup>3</sup> K.A.R. 82-3-100(b).

## **II. FINDINGS OF FACT**

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

4. On August 30, 2019, Operator filed an application requesting an exception to the 10-year limit on TA status for the Frey Morrow Unit #301 well, API #15-081-21340.<sup>4</sup> On November 21, 2019, Operator filed an amended application. As part of the amended application, Operator stated it intends to use the well as an enhanced oil recovery project that would support the Frey Morrow Unit #202, which is currently producing, and the Frey Morrow Unit #401, which is currently temporarily abandoned.<sup>5</sup>

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

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

7. On October 10, 2019, Operator successfully tested the subject well for mechanical integrity, indicating there is not a present threat to fresh and usable water.<sup>6</sup>

8. The Commission finds the reasons articulated in the amended application and the results of the mechanical integrity test sufficient to support the administrative grant of the application.

## **III. CONCLUSIONS OF LAW**

9. The Commission concludes that it has jurisdiction over Operator and this matter.<sup>7</sup>

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<sup>4</sup> See Docket No. 16-CONS-3980-CEXC; See Amended Application, ¶5 (Nov. 21, 2019). In its amended application, Operator calls the subject well the FMU 301, but the API number and location listed in the application describe what is known in Commission databases as the Frey Morrow Unit 301. There is no doubt based upon its application that Operator requests approval for the Frey Morrow Unit 301.

<sup>5</sup> Amended Application at ¶5.

<sup>6</sup> To reach this finding, the Commission takes administrative notice of its records. See 82-1-230(h).

<sup>7</sup> K.S.A. 74-623(a).

10. 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.

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

12. 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:**

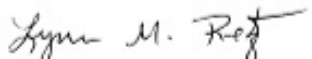
A. Operator's amended application for an exception to the 10-year limit on TA status for the subject well is granted for three years, calculated from the date the application was filed. Operator must file an annual TA form for the subject well. The first TA form shall be filed within thirty (30) days.

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).<sup>8</sup>

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

Keen, Chair; Albrecht, Commissioner; Duffy, Commissioner

Date: 12/12/2019

  
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Lynn M. Retz  
Executive Director

Date Mailed: 12/12/2019

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<sup>8</sup> 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-3075-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 12/12/2019.

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