

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

Before Commissioners: Susan K. Duffy, Chair
Dwight D. Keen
Andrew J. French

In the matter of the application of Merit) Docket No. 20-CONS-3287-CEXC
Energy Company, LLC, for an exception to)
the 10-year time limitation of K.A.R. 82-3-) CONSERVATION DIVISION
111 for its Johnson Heirs 1 Well in the)
Southeast Quarter of the Northeast Quarter) License No. 5303
of the Northeast Quarter of Section 30,)
Township 29 South, Range 38 West, Grant)
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 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.² 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.³

¹ K.S.A. 74-623.

² K.A.R. 82-3-111(b).

³ 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 May 21 2020, Operator filed an application requesting an exception to the 10-year limit on TA status for the Johnson Heirs 1-30 well (Subject Well), API #15-067-21021.⁴

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 May 20, 2020, Operator successfully tested the Subject Well for mechanical integrity, indicating there is not a present threat to fresh and usable water.⁵

8. The Commission finds the reasons articulated in the 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.

10. The Commission concludes that Operator's 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 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.

⁴ In its application, Operator calls the Subject Well the Johnson Heirs #1, but the API number and location listed in the application describe what is known in Commission databases as the Johnson Heirs #1-30. There is no doubt based upon its application that Operator requests approval for the Johnson Heirs #1-30.

⁵ To reach this finding, the Commission takes administrative notice of its records. *See* 82-1-230(h).

THEREFORE, THE COMMISSION ORDERS:

A. Operator's 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.

B. Operator must file an annual TA form for the Subject Well. The first TA form shall be filed within 30 days.

C. 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.

Duffy, Chair; Keen, Commissioner; French, Commissioner

Date: 06/30/2020



Lynn M. Retz
Executive Director

Date Mailed: 06/30/2020

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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-3287-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 06/30/2020.

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