

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

IN THE MATTER OF THE APPLICATION)	DOCKET NO. 25-CONS- <u>3335</u> -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 BAUGHMAN C-5 WELL IN THE)	
SOUTHEAST QUARTER OF THE)	
SOUTHWEST QUARTER OF THE)	LICENSE NO. 32446
NORTHWEST QUARTER OF THE)	
SOUTHWEST QUARTER OF SECTION)	
35, TOWNSHIP 27 SOUTH, RANGE 34)	
WEST, HASKELL COUNTY, KANSAS.)	
_____)	

APPLICATION

COMES NOW, Merit Energy Company ("Merit"), by and through its attorney, Zach K. Wiggins, 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, 2025.
3. Merit is the owner and operator of the Baughman C-5 well, which is located in the Southeast Quarter of the Southwest Quarter of the Northwest Quarter of the Southwest Quarter of Section 35, Township 27 South, Range 34 West, Haskell County, Kansas, API # 15-081-21457-00-02. The subject well is located on an active oil and gas lease or unit comprising the following lands:

Southwest Quarter of Section 35, Township 27 South,
Range 34 West, Haskell County, Kansas.

4. The Baughman C-5 was originally perforated in the Council Grove Formation 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 abandonment status for said well on or about March 7, 2011.

6. On or about December 10, 2024, 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 imposes a 10-year limitation on the amount of time during which wells may be temporarily abandoned, but an exception to the 10-year limitation may be obtained pursuant to said regulation through an Application filed with the Commission pursuant to K.A.R. 82-3-100. Applicant seeks such an exception.

8. Merit wishes to continue temporary abandonment status for the subject well because Merit intends to use the well as part of an enhanced oil recovery project. Merit is currently evaluating the enhanced oil recovery project which looks to have potential in both the Morrow Sands and Morrow Lime Formation. There are three successful Morrow floods near the Baughman C-5. The Baughman C-5 was drilled as the Baughman Aa-1 and was completed in the Morrow Lime, which produced oil but at rates not economic at the time. It also has untested Morrow sands that are productive in nearby Morrow floods that were untested and had oil and gas shows.

9. 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.

10. There are two (2) wells on the lease including one (1) active well and one (1) temporarily abandoned well. It would cost an estimated Seventy Thousand Dollars (\$70,000.00) to plug this well and the remaining wells on the lease. A current production rate for the lease is 11 MCFD. A basic estimation of remaining reserves on the lease for the Baughman C-4 is 70.706 gross MMCF. This well could be used as either a producer or an injector in a future flood. Either use would require drilling out plugs, squeezing zones and running a liner in the Baughman C-5. In order to reactivate the Baughman C-5 well as part of an EOR project, it would cost approximately Two Hundred Fifty Thousand Dollars (\$250,000.00) based on current prices with additional costs required depending on producer or injector designation. It would cost an estimate of Seven Hundred Thousand Dollars (\$700,000.00) based on current prices to drill and complete a replacement well depending on producer of injection designation.

11. 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.

12. Based on the foregoing, Merit requests the Commission grant an exception to the 10-year limitation, specifically to allow the Baughman C-5 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.

13. 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.

14. 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 B.

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

16. 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 

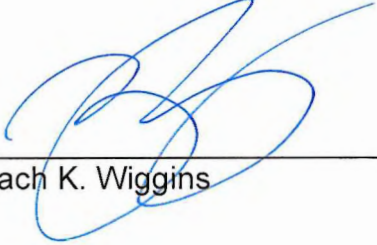
Zach K. Wiggins
645 East Douglas, Suite 100
Wichita, KS 67202
(316) 265-9311
Attorney for Merit Energy Company

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

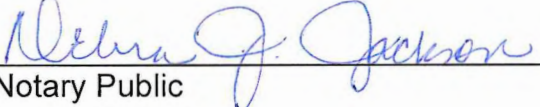
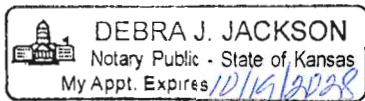
Zach K. Wiggins, of lawful age, being first duly sworn, upon oath states:

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.



Zach K. Wiggins

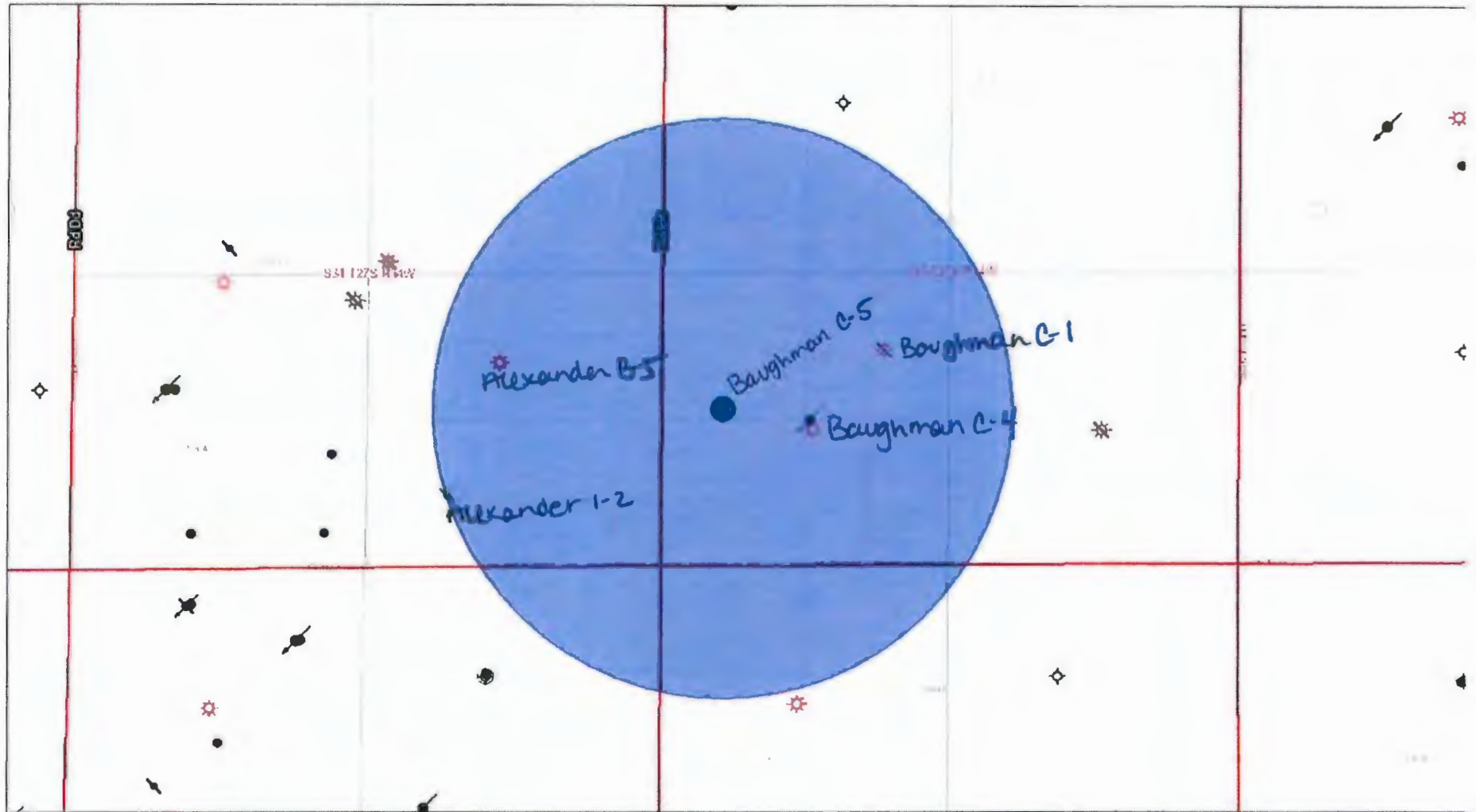
SUBSCRIBED AND SWORN to before me this 28th day of March, 2025.



Notary Public

My Appointment Expires:
10/19/2028

Baughman C-5 1/2 Mile Radius



2/27/2025, 11:11:33 AM

Oil and Gas Wells

◇ Dry and Abandoned

➤ Enhanced Oil Recovery



Enhanced Oil Recovery, Plugged-Abandoned



Gas



Gas, Plugged-Abandoned



Location



Oil

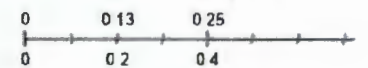


Oil, Plugged-Abandoned



Salt Water Disposal

1:13,405



Esri, HERE, Garmin, INCREMENT P, Inc.
METI/NASA, EPA, USDA

EXHIBIT A

EXHIBIT B

Scout Energy Management LLC
13800 Montfort Drive
Dallas, TX 75240

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Merit Energy Company.
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