Form CP-111 June 2011 Form must be Typed Form must be signed

TEMPORARY ABANDONMENT WELL APPLICATION

All blanks must be complete

| OPERATOR: License# | | | | API No. 15- | | | | | | | | | | | | | | | |
|---|-----------------------|--------------------|-------------|---------------------------------|-----------------|-------------------------|-------------|-------------|-----------|----------------------------|--|--|--|---|--|--|--|--|--|
| Name: | | | | Spot Description: | | | | | | | | | | | | | | | |
| Address 1: | | | | | Sec. | Twp | S. R | | E W | | | | | | | | | | |
| Address 2: | | | | | | feet fror | = = | = | | | | | | | | | | | |
| City: | State: | Zip: + | | feet from E / W Line of Section | | | | | | | | | | | | | | | |
| Contact Person: Phone:() Contact Person Email: | | | | GPS Location: Lat: | | | | | | | | | | | | | | | |
| | | | | | | | | | | Field Contact Person: | | | | Well Type: (check one) Oil Gas OG WSW Other: | | | | | |
| | | | | | | | | | | Field Contact Person Phone | | | | | | | | | |
| | , | | | | orage Permit #: | Date Shi | ut-In: | | | | | | | | | | | | |
| | Conductor | Surface | Pro | duction | Intermediate | Line | er | Tubing | , | | | | | | | | | | |
| Size | | | | | | | | | | | | | | | | | | | |
| Setting Depth | | | | | | | | | | | | | | | | | | | |
| Amount of Cement | | | | | | | | | | | | | | | | | | | |
| Top of Cement | | | | | | | | | | | | | | | | | | | |
| Bottom of Cement | | | | | | | | | | | | | | | | | | | |
| Depth and Type: | ALT. II Depth o | f: DV Tool:(depth) | w / Inch | Set at: | s of cement Po | ort Collar:(depth) Feet | | | of cement | | | | | | | | | | |
| Geological Date: | | | | | | | | | | | | | | | | | | | |
| Formation Name | Formation | Top Formation Base | | | Comple | tion Information | | | | | | | | | | | | | |
| 1 | At: | to Feet | Perfo | ration Interval | to | Feet or Open Hol | e Interval | to | Feet | | | | | | | | | | |
| 2 | At: | to Feet | Perfo | ration Interval | to | Feet or Open Hol | e Interval | to | Feet | | | | | | | | | | |
| IINDED DENALTY OF DEE | D IIIDV I UEDEDV ATTE | | | ctronicall | | CORRECTTOTUE | E DECT OF M | A INDIVITE | :DCE | | | | | | | | | | |
| Do NOT Write in This Space - KCC USE ONLY | Date Tested: | R | esults: | | Date Plugged: | Date Repaired: | Date Put | Back in Ser | /ice: | | | | | | | | | | |
| Review Completed by: | | | Comn | nents: | | | | | | | | | | | | | | | |
| TA Approved: Yes | Denied Date: | | | | | | | | | | | | | | | | | | |
| | | Mail to the App | ropriate | KCC Conserv | vation Office: | | | | | | | | | | | | | | |
| 7 <u></u> | 1/05 5: | | | | | | | | | | | | | | | | | | |

| Notice State State State State State State State States St | KCC District Office #1 - 210 E. Frontview, Suite A, Dodge City, KS 67801 | Phone 620.225.8888 |
|--|---|--------------------|
| Since | KCC District Office #2 / UPGS - 3450 N. Rock Road, Building 600, Suite 601, Wichita, KS 67226 | Phone 316.630.4000 |
| | KCC District Office #3 - 1500 SW Seventh Steet, Chanute, KS 66720 | Phone 620.432.2300 |
| See | KCC District Office #4 - 2301 E. 13th Street, Hays, KS 67601-2651 | Phone 785.625.0550 |

KCC OIL/GAS REGULATORY OFFICES

| Date: <u>12/03/14</u> | District: <u>01</u> | | | | | |
|---|--|--|--|--|--|--|
| | New Situation Lease Inspection | | | | | |
| | Response to Request Complaint | | | | | |
| | Follow-Up | | | | | |
| Operator License No: 32446 | API Well Number: <u>15-081-20909-00-01</u> | | | | | |
| Op Name: Merit Energy Company LLC | Spot: <u>SW NE SW SE</u> <u>Sec 14</u> Twp <u>29</u> S Rug <u>34</u> E / W | | | | | |
| Address 1: 13727 Noel Road, Ste 1200 | 660 (687) Feet from N/\sqrt{S} Line of Section | | | | | |
| Address 2: | $\frac{1980 (1970)}{}$ Feet from \sqrt{E} W Line of Section | | | | | |
| City: Dallas | GPS: Lat: <u>37.52042</u> Long: <u>101.00567</u> Date: <u>12/3/14</u> | | | | | |
| State: Texas Zip Code: 75240 - | Lease Name: Yunkcer B Well #: 3 | | | | | |
| Operator Phone #: (972) 628-1659 | County: _Haskell | | | | | |
| Renson for Investigation: | | | | | | |
| Company requested state witness for 10 year | · TA extension casing test | | | | | |
| Company requested state withess for To year | TA extension casing test | | | | | |
| Problem: | | | | | | |
| None | | | | | | |
| | | | | | | |
| Persons Contacted: | | | | | | |
| Jimmy Welch on location | | | | | | |
| ommy Wolen en lesaden | | | | | | |
| Findings: | | | | | | |
| 10:30am | | | | | | |
| TD, 50001 DDTD, 5200 | | | | | | |
| TD: 5600' PBTD: 5390 Surface Casing: 8.625" @ 1798' | | | | | | |
| Production Casing: 5.500" @ 5448' (est TOC 4400') Chester Perfs: 5308'-5319' | | | | | | |
| Pawnee Perfs: 4790'-4796' | | | | | | |
| CIBP @ 4910' w/ 2sx cement | | | | | | |
| CIBP @ 4650' | Marmaton Perfs: 4689'-4711' CIBP @ 4650' | | | | | |
| Chaosland Services pressured up 5.50" casing to 305psi and | hold for 30 minutes | | | | | |
| Offices pressured up 0.00 casing to coopsi and | Thorator of Hilliano | | | | | |
| Action/Recommendations: Follow | Up Required Yes No 🗈 Date: | | | | | |
| Satisfactory casing test | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| ma | d in Rooms Stylium | | | | | |
| Verification Sources: | 0 /1 Photos Taken: 0 | | | | | |
| ✓ RBDMS KGS ✓ TA | A Program By: L. M. J. M. | | | | | |
| | ourthouse By: K. VV. | | | | | |
| ✓ Other: on-site witness | Kenny Sullivan | | | | | |
| Retain I Copy District Office | | | | | | |

Send 1 Copy to Conservation Division

Form: _

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

| Before Commissioners: | Shari Feist Albrecht, Jay Scott Emler Pat Apple | Cha | ir |
|--------------------------------|---|-----|----------------------------|
| In the Matter of the Applicati | on of Merit Energy |) | Docket No. 15-CONS-186-CEX |
| Company for an exception to | the 10-year time |) | |
| limitation of K.A.R. 82-3-11 | 1 for its Yuncker B-3 |) | CONSERVATION DIVISION |
| well in the Southwest Quarter | r of the Southeast Quarter | ·) | |
| of Section 14, Township 29 S | South, Range 34 West, |) | License No. 32446 |

Haskell County, Kansas.

ORDER GRANTING APPLICATION

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

I. JURISDICTION

- 1. K.S.A. 74-623 provides that the Commission has the exclusive jurisdiction and authority to regulate oil and gas activities, with licensing authority under K.S.A. 55-155.
- 2. K.A.R. 82-3-100 provides that the Commission may grant an exception to any regulation after application and notice.
- 3. K.A.R. 82-3-111 requires wells that are inactive for more than 90 days to be plugged or approved for temporary abandonment ("TA") status. The regulations provides that wells having been shut-in for more than 10 years shall not be approved TA status without Commission approval of an application for an exception pursuant to K.A.R. 82-3-100.

II. FINDINGS OF FACT

4. Commission records indicate the operator is currently licensed to conduct oil and gas activities in Kansas under K.S.A. 55-155.

- 5. The above-captioned operator filed an application requesting an exception to the 10-year limit on TA status for the subject well(s).
- 6. The 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. The operator successfully tested the subject well(s) for mechanical integrity.
- 9. Commission Staff met internally and reviewed the application. Staff determined that the application and the mechanical integrity test(s) were sufficient to support the administrative grant of this application. Accordingly, Staff has proposed to the Commission this Order granting the application without the need for a hearing.

III. CONCLUSIONS OF LAW

- 10. The Commission has jurisdiction over the operator and this matter.
- 11. The application was filed in accordance with the rules and regulations of the Commission and Kansas statutes.
 - 12. Notice was properly served and published.
- 13. Based on the available facts, the Commission finds that the application should be granted to prevent waste and protect correlative rights, because the operator has demonstrated a potential future use for the well(s), and there is not a present a threat to fresh and usable water.

THEREFORE, THE COMMISSION ORDERS:

A. The application for an exception to the 10-year limit on TA status for the subject well(s) is granted for three years. The operator must file annual TA forms for the subject well(s). The first TA form(s) shall be filed within 30 days.

B. This Order is a summary proceeding pursuant to K.S.A. 77-537, which provides in paragraph (b)(4) that summary proceedings are not effective until the time for requesting a hearing has expired. K.S.A. 77-542 provides that a request for hearing shall be filed within 15 days of any agency notice resulting in a right to request a hearing. If service of this Order is by mail, three days are added to the deadline. Any party taking an action permitted by this summary proceeding before the deadline for requesting a hearing has expired shall be deemed to

C. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita, Kansas 67202. Pursuant to K.S.A. 55-606, K.S.A. 66-118b, and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action permitted by this summary proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

D. The Commission retains jurisdiction of the subject matter and the parties and may enter additional orders as it deems appropriate.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

have waived their right to a hearing pursuant to K.S.A. 77-504.

Date Mailed: 1/23/20/5

Neysa Thomas
Acting Secretary

LRP

CERTIFY THE ORIGINAL
COPY IS ON FILE WITH
The State Corporation Commission

JAN 22 2013

3

CERTIFICATE OF SERVICE

I certify that on 1/23/20/5, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

Stanford J. Smith, Jr.
Martin, Pringle, Oliver, Wallace & Bauer, L.L.P.
100 North Broadway, Suite 500
Wichita, Kansas 67202
Attorney for Merit Energy Company

Arlene Valliquette Merit Energy Company, LLC 13727 Noel Road Suite 1200 Dallas, Texas 75240

Stephen Pfeifer, KCC District #1 210 E. Frontview, Suite A Dodge City, KS 67801

/s/ Lane Palmateer
Lane Palmateer
Litigation Counsel
Kansas Corporation Commission

Conservation Division District Office No. 1 210 E. Frontview, Suite A Dodge City, KS 67801



Phone: 620-225-8888 Fax: 620-225-8885 http://kcc.ks.gov/

Sam Brownback, Governor

Shari Feist Albrecht, Chair Jay Scott Emler, Commissioner Pat Apple, Commissioner

February 09, 2015

Janna Burton Merit Energy Company, LLC 13727 NOEL RD STE 1200 DALLAS, TX 75240

Re: Temporary Abandonment API 15-081-20909-00-01 YUNCKER B 3 SE/4 Sec.14-29S-34W Haskell County, Kansas

Dear Janna Burton:

Your temporary abandonment (TA) application for the well listed above has been approved. In accordance with K.A.R. 82-3-111 the TA status of this well will expire 01/22/2016.

Your exception application expires on 01/22/2018.

- * If you return this well to service or plug it, please notify the District Office.
- * If you sell this well you are required to file a Transfer of Operator form, T-1.
- * If the well will remain temporarily abandoned, you must submit a new TA application, CP-111, before 01/22/2016.

You may contact me at the number above if you have questions.

Very truly yours,

Michele Pennington