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

All blanks must be complete

TEMPORARY ABANDONMENT WELL APPLICATION

OPERATOR: License#				API No. 15-										
Name:			Spot Description:											
Address 1:					· Sec	Twp S.	R	E W						
Address 2:						feet from N								
City: State: Zip: +						feet from L E								
				GPS Location: Lat:, Long:, Long:										
			County: Elevation: GL KB Lease Name: Well #: Well Type: (check one) Oil Gas OG WSW Other:											
							Field Contact Person Phon	e:()_			SWD Permit #: ENHR Permit #:			
								,			Gas Storage Permit #: Date Shut-In:			
				Spud Date.		Date Shut-in.								
	Conductor	Surface	Pro	oduction	Intermediate	Liner	Tubing	j						
Size														
Setting Depth														
Amount of Cement														
Top of Cement														
Bottom of Cement														
Do you have a valid Oil & C Depth and Type:	in Hole at(depth) T. I ALT. II Depth o	Tools in Hole at	w / _	Set at:	s of cement Port	Collar: w /w /w								
iotai Deptii	Flug ba	ск Берш.		Flug Back Metri	ou									
Geological Date:														
Formation Name	Formation	Top Formation Base			Completio	n Information								
1	At:	to Feet	Perfo	ration Interval	to F	eet or Open Hole Interva	al to	Feet						
2	At:	to Feet	Perfo	ration Interval	to F	eet or Open Hole Interva	al to	Feet						
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		Casiiiii	ou <u>_</u> .o	011 01 110 011	,									
Do NOT Write in This Space - KCC USE ONLY	Date Tested:	R	esults:		Date Plugged:	Date Repaired: Date	ate Put Back in Serv	vice:						
Review Completed by:			Comn	nents:										
TA Approved: Yes	Denied Date:													
		Moil to the Arm	roprioto	VCC Canas	ration Office:									
		Mail to the App	ropriate	NOC Conserv	ration Office:									

Name have been now toke tok and from homes mad man for home	KCC District Office #1 - 210 E. Frontview, Suite A, Dodge City, KS 67801	Phone 620.225.8888
1000 1000 1000 1000 1000 1000 1000 100	KCC District Office #2 / UPGS - 3450 N. Rock Road, Building 600, Suite 601, Wichita, KS 67226	Phone 316.630.4000
The control of the co	KCC District Office #3 - 1500 SW Seventh Steet, Chanute, KS 66720	Phone 620.432.2300
Size State S	KCC District Office #4 - 2301 E. 13th Street, Hays, KS 67601-2651	Phone 785.625.0550

2015-05-05 14:33:49

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Kansas Corporation Commission /s/ Amy L. Gilbert

Before Commissioners:

Shari Feist Albrecht, Chair

Jay Scott Emler Pat Apple

In the matter of the Application of Merit Energy)	Docket No. 15-CONS-781-CEXC
Company for an exception to the 10-year time)	
limitation of K.A.R. 82-3-111 for its Atkins N-3 well)	CONSERVATION DIVISION
in the Southeast Quarter of the Northwest Quarter of)	
the Southwest Quarter of Section 4, Township 27)	License No. 32446
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 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, which is calculated from the date the application was filed.

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

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 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

Date:	MAY 5 2015	Amy Galbert		
		Amy L. Gilbert		
		Secretary		
Date Mailed:	May 5, 2015	·		

LRP

CERTIFICATE OF SERVICE

I certify that on	May 5, 2015	, 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	<u>:</u> :	

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, LLC

Arlene Valliquette Merit Energy Company, LLC 13727 Noel Rd., Ste. 1200 Dallas, Texas 75240

Scott Alberg, KCC District #1 210 E. Frontview, Suite A Dodge City, KS 67801

/s/ Lane Palmateer
Lane Palmateer

Litigation Counsel
Kansas Corporation Commission

KCC OIL/GAS REGULATORY OFFICES

Date: <u>04/15/15</u>	District:	Case #:				
	New Situation	Lease Inspection				
	Response to Request	Complaint				
	Follow-Up	Field Report				
Operator License No: 32446	API Well Number: <u>15-081-21547</u>	-00-00				
Op Name: Merit Energy Company, LLC		Twp_27S Rng_33E / \sqrt{W}				
Address 1: 13727 Noel RD STE 1200		Feet from N/VS Line of Section				
Address 2:		Feet from E/W Line of Section				
City: Dallas		00.94036 Date: 4/15/15				
State: TX Zip Code: 75240 -	Lease Name: <u>Atkins N</u>	Well #: 3				
Operator Phone #: <u>(620)</u> 655-3705						
Reason for Investigation:						
Company requested state witness of casing to	est					
Problem:						
Denied TA/ 10 year rule						
Persons Contacted:						
Jude Haas						
bude Hada						
Findings:						
TD 5400'						
Surface casing 8.625" @ 1913'						
Production casing 5.5" @ 5384'						
Port collar @ 3183'						
Morrow perfs: 5084' to 5100'						
CIBP @ 5034'						
K&L tank service pressured 5.5" casing to 335 psi and held for 30 minutes						
		,				
Action/Recommendations: Follow	Up Required Yes No	Date:				
None, satisfactory casing test	oprædance					
None, satisfactory casing test		And the second s				
	_					
Entered	in ROOMS 4/1	rlism				
Verification Sources:	·	Photos Taken:				
✓ RBDMS KGS T	A Program					
	By: Larry Harris					
✓ Other: On-site inspection						
Retain 1 Copy District Office						

Send 1 Copy to Conservation Division

Form:

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

May 11, 2015

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

Re: Temporary Abandonment API 15-081-21547-00-00 ATKINS N 3 SW/4 Sec.04-27S-33W 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 04/01/2016.

Your exception application expires on 04/01/2018.

- * 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 04/01/2016.

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

Very truly yours,

Michele Pennington