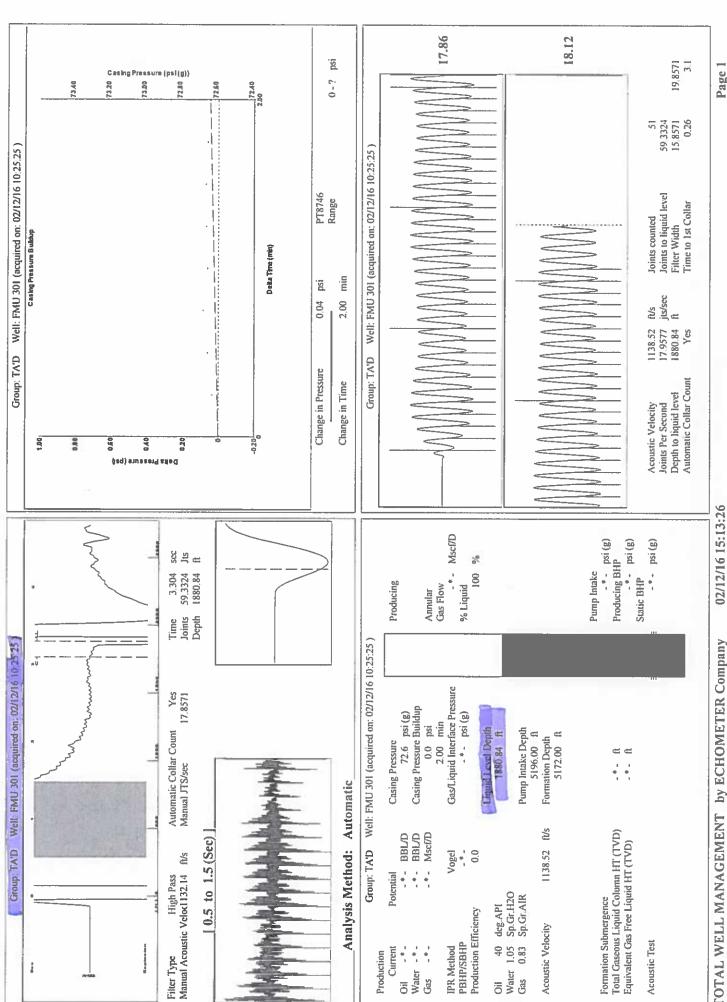
Form CP-111 June 2011 Form must be Typed Form must be signed

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 from		
City:	State:	Zip: +						
Contact Person:								
Phone:()				County: Elevation: GL KB				
Contact Person Email:				Lease Name: Well #:				
Field Contact Person:			Well Type: (check one) Oil Gas OG WSW Other:					
Field Contact Person Phone	e:()_			SWD Permit #: ENHR Permit #:				
				Gas Storage Permit #: Spud Date: Date Shut-In:				
0:	Conductor	Surface	Pro	oduction	Intermediate	Liner	Tubin	g
Size								
Setting Depth								
Amount of Cement Top of Cement								
Bottom of Cement								
		<u> </u>						
Casing Squeeze(s):	in Hole at(depth) T. I ALT. II Depth of Size:	No Tools in Hole at	Ca w / _ Inch	sing Leaks: sack	Yes No Dept s of cement Port	th of casing leak(s): Collar: w et		
Formation Name	Formation	Formation Top Formation Base			Completic	on Information		
1	At:	to Feet	Perfo	ration Interval	to F	eet or Open Hole Inter	val to	Feet
2	At:	to Feet	Perfo	ration Interval	to F	Feet or Open Hole Inter	val to	Feet
IINDED DENALTY OF DEE	O IIIDV I LIEDEDV ATTE			ctronicall		ABBEATTA THE BEST	T OF MV I/MOMI	EDOE
Do NOT Write in This Space - KCC USE ONLY	Date Tested:	R	esults:		Date Plugged:	Date Repaired: D	ate Put Back in Ser	vice:
Review Completed by:			Comn	nents:				
TA Approved: Yes	Denied Date:							
		Mail to the App	ropriate	KCC Conserv	vation Office:			

Notes todo tree too tota tot and find gauge wind was for the	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
	KCC District Office #4 - 2301 E. 13th Street, Hays, KS 67601-2651	Phone 785.625.0550



THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:	Jay Scott En Shari Feist A Pat Apple		
In the matter of the application of Merit)	Docket No. 16-CONS-3980-CEXC
Energy Company, LLC, for a	in 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, Ha	askell 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 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.
- 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 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.

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Date:	JUL 1 2 2016	Amy Yr
		Amy L. Green Secretary to the Commission
Date Mailed:	ed:July 12, 2016	

LRP

CERTIFICATE OF SERVICE

I certify that on	July 12, 2016	, 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, LLC

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

And delivered electronically to

Michael Maier/Michele Pennington KCC District Office #1

/s/ Cynthia K. Maine Cynthia K. Maine Administrative Assistant 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

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

July 19, 2016

Katherine McClurkan Merit Energy Company, LLC 13727 Noel Road, Suite 1200 Dallasa, TX 75240

Re: Temporary Abandonment API 15-081-21340-00-00 Frey Morrow Unit 301 NE/4 Sec.25-27S-34W Haskell County, Kansas

Dear Katherine McClurkan:

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 07/12/2017.

Your exception application expires on 07/12/2019.

- * 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 07/12/2017.

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

Very truly yours,

Michele Pennington