

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

TEMPORARY ABANDONMENT WELL APPLICATION

OPERATOR: License# _____
 Name: _____
 Address 1: _____
 Address 2: _____
 City: _____ State: _____ Zip: _____ + _____
 Contact Person: _____
 Phone:(_____) _____
 Contact Person Email: _____
 Field Contact Person: _____
 Field Contact Person Phone: (_____) _____

API No. 15- _____
 Spot Description: _____
 _____ - _____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
 _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 GPS Location: Lat: _____, Long: _____
(e.g. xx.xxxxx) (e.g. -xxx.xxxxx)
 Datum: NAD27 NAD83 WGS84
 County: _____ Elevation: _____ GL KB
 Lease Name: _____ Well #: _____
 Well Type: (check one) Oil Gas OG WSW Other: _____
 SWD Permit #: _____ ENHR Permit #: _____
 Gas Storage Permit #: _____
 Spud Date: _____ Date Shut-In: _____

	Conductor	Surface	Production	Intermediate	Liner	Tubing
Size						
Setting Depth						
Amount of Cement						
Top of Cement						
Bottom of Cement						

Casing Fluid Level from Surface: _____ How Determined? _____ Date: _____
 Casing Squeeze(s): _____ to _____ w / _____ sacks of cement, _____ to _____ w / _____ sacks of cement. Date: _____
(top) (bottom) (top) (bottom)
 Do you have a valid Oil & Gas Lease? Yes No
 Depth and Type: Junk in Hole at _____ Tools in Hole at _____ Casing Leaks: Yes No Depth of casing leak(s): _____
(depth) (depth)
 Type Completion: ALT. I ALT. II Depth of: DV Tool: _____ w / _____ sacks of cement Port Collar: _____ w / _____ sack of cement
(depth) (depth)
 Packer Type: _____ Size: _____ Inch Set at: _____ Feet
 Total Depth: _____ Plug Back Depth: _____ Plug Back Method: _____

Geological Data:

Formation Name	Formation Top	Formation Base	Completion Information
1. _____	At: _____	to _____ Feet	Perforation Interval _____ to _____ Feet or Open Hole Interval _____ to _____ Feet
2. _____	At: _____	to _____ Feet	Perforation Interval _____ to _____ Feet or Open Hole Interval _____ to _____ Feet

UNDER PENALTY OF PERJURY I HEREBY ATTEST THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

Submitted Electronically

Do NOT Write in This Space - KCC USE ONLY	Date Tested: _____	Results: _____	Date Plugged: _____	Date Repaired: _____	Date Put Back in Service: _____
	Review Completed by: _____ Comments: _____				
TA Approved: <input type="checkbox"/> Yes <input type="checkbox"/> Denied Date: _____					

Mail to the Appropriate KCC Conservation Office:

	KCC District Office #1 - 210 E. Frontview, Suite A, Dodge City, KS 67801	Phone 620.682.7933
	KCC District Office #2 - 3450 N. Rock Road, Building 600, Suite 601, Wichita, KS 67226	Phone 316.337.7400
	KCC District Office #3 - 137 E. 21st St., Chanute, KS 66720	Phone 620.902.6450
	KCC District Office #4 - 2301 E. 13th Street, Hays, KS 67601-2651	Phone 785.261.6250

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

IN THE MATTER OF THE APPLICATION) DOCKET NO. 21-CONS-3024-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 BCU 403 WELL IN THE)
SOUTHWEST QUARTER OF THE)
NORTHEAST QUARTER OF THE) LICENSE NO. 32446
NORTHEAST QUARTER OF SECTION)
31, TOWNSHIP 27 SOUTH, RANGE 33)
WEST, HASKELL COUNTY, KANSAS.)

APPLICATION

COMES NOW, Merit Energy Company ("Merit"), by and through its attorney, Stanford J. Smith, Jr., 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, 2021.
3. Merit is the owner and operator of the BCU 403 well, which is located in the Southwest Quarter of the Northeast Quarter of the Northeast Quarter of Section 31, Township 27 South, Range 33 West, Haskell County, Kansas, API # 15-081-21477-00-00. The subject well is located on an active oil and gas lease or unit comprising the following lands:

Southwest Quarter of Section 31, Township 27 South,
Range 33 West, Haskell County, Kansas.

4. The BCU 403 was originally perforated in the Morrow Formations but was not actively produced and was shut-in as inactive.

5. Pursuant to K.A.R. 82-3-111, OXY USA Inc., sought and obtained temporary abandonment status for said well on May 9, 2003, and April 1, 2014. Merit sought and obtained temporary abandonment status for said well on June 6, 2017.

6. On or about June 2, 2020, 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 the Morrow Formation. The Branstetter Chester Reservoir Original Oil in Place is 7,273 MBO. The estimated secondary recovery factor from water flooding the unit is 8.3% or 402 MBO to recover. Currently, the Morrow reservoir is perforated in the wellbore from 5253'-5292'. A CIBP is set at 5203'. New zones will not be attempted/completed. The BCU 403 is located in the Branstetter Chester Unit, which is a unit primarily completed in the Chester formation and secondarily in the Morrow formation. The BCU 410 is a nearby well that also is completed in the Morrow. The eastern portion of the field, which includes the BCU 403 and the BCU 410, has potential

for further secondary recovery by water flooding the Morrow formation. This would involve converting both the BCU 410 and the BCU 403 to injector. However, the BCU 410 is currently uneconomic to convert to injector in the current pricing environment, so an extension is necessary to keep TA status on the BCU 403 so that at a later date it can be converted to injector along with the BCU 410. To summarize, this well will be converted to injector to support a Morrow zone water flood in the Branstetter Chester Unit.

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 eight wells on the lease including six active oil wells and two injection wells. It would cost an estimated Two Hundred Forty Thousand Dollars (\$240,000.00) to plug this well and the remaining wells on the lease. A current production rate for the lease is: Oil – 100 BOPD and Gas: 10 MCFD. A basic estimation of remaining reserves and an explanation of the basis is: Oil: 806.790 MBO and Gas: 2,759 MCF. In order to reactivate the BCU 403 well as part of an EOR project, it would cost approximately One Hundred Thousand Dollars (\$100,000.00) based on current prices. It would cost an estimate of Seven Hundred Fifty Thousand Dollars (\$750,000.00) based on current prices to drill and complete a replacement well.

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 BCU 403 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



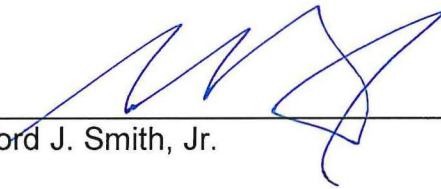
Stanford J. Smith, Jr.
645 East Douglas, Suite 100
Wichita, KS 67202
(316) 265-9311
Attorney for Merit Energy Company

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

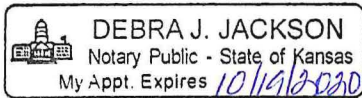
Stanford J. Smith, Jr., of lawful age, being first duly sworn, upon oath states:

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.



Stanford J. Smith, Jr.

SUBSCRIBED AND SWORN to before me this 20th day of July, 2020.





Notary Public

My Appointment Expires:
10/19/2020

100°58'30"W

100°58'0"W

100°57'30"W

37°40'0"N

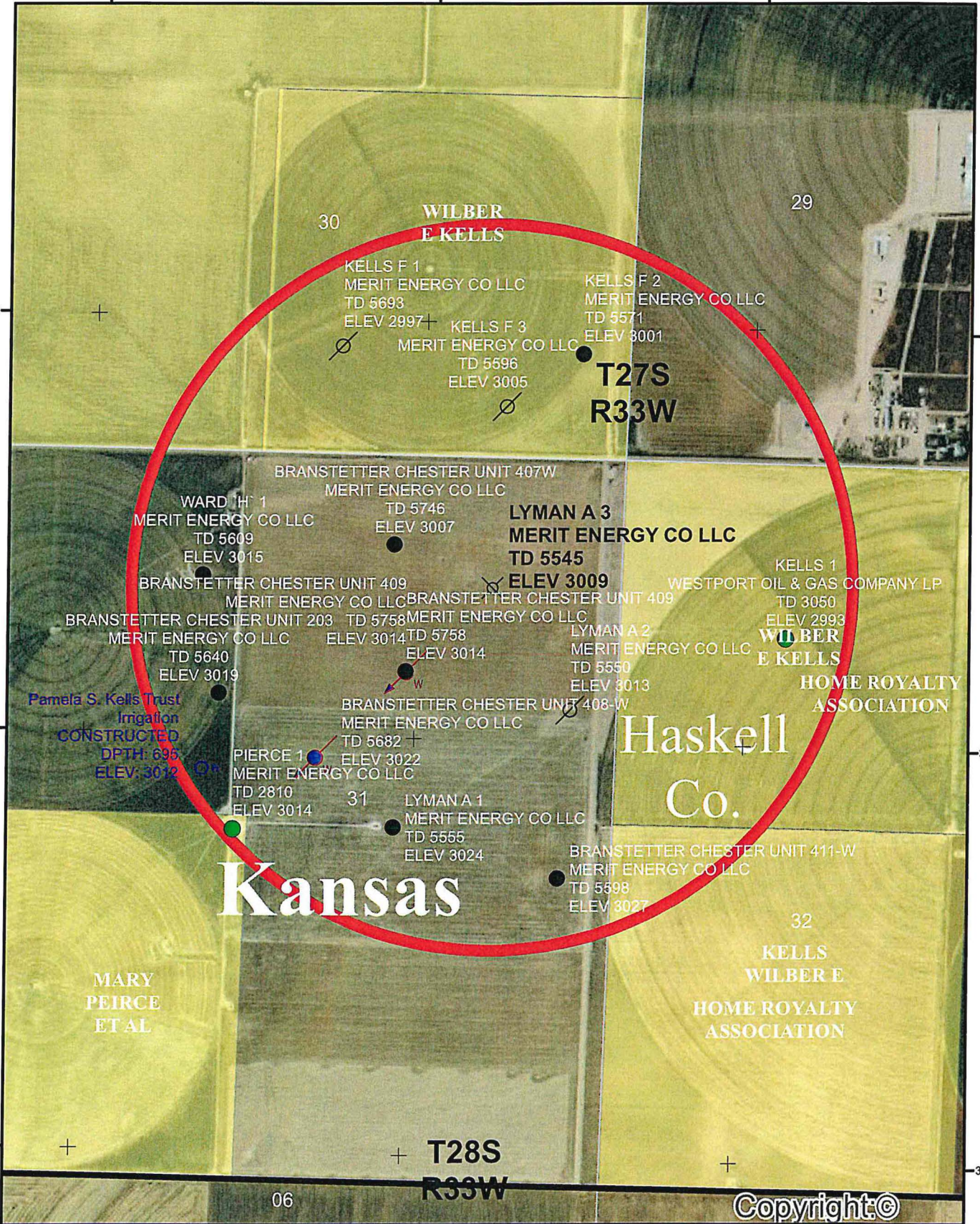
37°40'0"N

37°39'30"N

37°39'30"N

37°39'0"N

37°39'0"N



Kansas

Haskell Co.

T28S R33W

Copyright ©

○ KCS WWC5 WELLS

● OIL; OIL-WO

● GAS

✱ ABDOGW; D&A-OG; D&AW; ABD-OW; D&A-G; D&AWO; ABD-GW

⊕ TA-G

⊗ TEMP ABAN

⊗ AB-LOC

⊗ D&A; D&A-O

⊗ WI-EOR

▭ HALF MILE BUFFER

▭ MERIT LEASEHOLD



0 500 1,000 Feet

M EXHIBIT A
MERIT ENERGY COMPANY
 BCU 403
 W 1/2 MILE BUFFER

Scale: 1:12,000
 Map by: Richard Norzagaray
 Date: APR 01, 2016
 Projection: State Plane Kansas South NAD 27

Haskell Co, Kansas

EXHIBIT B

None

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

IN THE MATTER OF THE APPLICATION)	DOCKET NO. 21-CONS-_____-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 BCU 403 WELL IN THE)	
SOUTHWEST QUARTER OF THE)	
NORTHEAST QUARTER OF THE)	LICENSE NO. 32446
NORTHEAST QUARTER OF SECTION)	
31, TOWNSHIP 27 SOUTH, RANGE 33)	
WEST, HASKELL COUNTY, KANSAS.)	

NOTICE OF PENDING APPLICATION

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

TO: ALL OIL AND GAS PRODUCERS, UNLEASED MINERAL INTEREST OWNERS, LANDOWNERS, AND ALL PERSONS WHOMSOEVER CONCERNED:

YOU, and each of you, are hereby notified that Merit Energy Company has filed an Application for an exception to the ten-year time limitation of K.A.R. 82-3-111 for the BCU 403 well, located in the Southwest Quarter of the Northeast Quarter of the Northeast Quarter of Section 31, Township 27 South, Range 33 West, Haskell County, Kansas, API # 15-081-21477-00-00.

YOU are further notified that unless written protest is received by the State Corporation Commission within fifteen (15) days after publication of this Notice, the Application in this matter will be granted by administrative approval after said 15 day period. Any such protest should be mailed to the State Corporation Commission of the State of Kansas, Conservation Division, 266 North Main, Suite 220, Wichita, Kansas, 67202, and to the Applicant at the address shown.

All parties in any wise interested or concerned shall take notice of the foregoing and govern themselves accordingly.

Merit Energy Company.
By: Katherine McClurkan
Regulatory Analyst
13727 Noel Road, Suite 1200
Dallas, Texas 75240
(972) 628-1660

October 07, 2021

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

Re: Temporary Abandonment
API 15-081-21477-00-00
Branstetter Chester Unit 403
NE/4 Sec.31-27S-33W
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 10/29/2022.

Your exception application expires on 10/29/2023.

- * 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 10/29/2022.

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

Very truly yours,

Michael Maier