

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- 3088-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 G-2 WELL IN THE)
SOUTHEAST QUARTER OF THE)
SOUTHEAST QUARTER OF THE) LICENSE NO. 32446
NORTHWEST QUARTER OF THE)
NORTHWEST QUARTER OF SECTION)
19, TOWNSHIP 34 SOUTH, RANGE 35)
WEST, STEVENS 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 Baughman G-2 well, which is located in the Southeast Quarter of the Southeast Quarter of the Northwest Quarter of the Northwest Quarter of Section 19, Township 34 South, Range 35 West, Stevens County, Kansas, API # 15-189-20876-00-00. The subject well is located on an active oil and gas lease or unit comprising the following lands:

Northwest Quarter of Section 19, Township 34 South, Range
35 West, Stevens County, Kansas.

4. The Baughman G-2 was originally perforated in the Lower Morrow 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 July 14, 2010.

6. On or about September 1, 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 for production from new zones behind pipe. This well was completed in the Lower Morrow and has now been plugged back to allow for an uphole opportunity in the Council Grove Formation. From the uphole Council Grove target there are three wells that produce from that zone within 5 miles to the West of the Baughman G-2: McNutt Unit 1-2, Kinser Unit 1-2, & Kinser Unit 2-3. All three of these wells are producing. Based on the performances of these wells and the log comparisons, a best guess for the Baughman G-2 would be an IP of 60 mcf and a cum of 175 mmcf. The Baughman G-1 (gas) and Baughman G-4 (gas) wells hold the Lease HBP.

9. On October 1, 2020, the subject well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within fifty (50) feet above the uppermost perforations.

10. There are four (4) wells on the lease including two (2) active wells, one (1) inactive well and one (1) plugged and abandoned well. It would cost an estimated \$90,000.00 to plug this well and the remaining wells on the lease. A current thirty (30) day average production rate for the lease is: Baughman G-1 - 26 MCFD and the Baughman G-4 - 50 MCFD. A basic estimation of remaining reserves and an explanation of the basis is: Baughman G-1 – 203.2 MMCF and the Baughman G-4 – 398 MMCF. In order to reactivate the Baughman G-2 well and recomplete the Council Grove, it would cost approximately One Hundred Thousand Dollars (\$100,000.00) based on current prices. It would cost an estimate of Six Hundred Seventy-Five Thousand Dollars (\$675,000.00) 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 Baughman G-2 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.

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

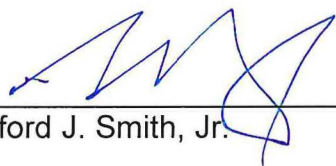

Stanford J. Smith, Jr.
645 East Douglas, Suite 100
Wichita, KS 67202
(316) 265-9311
Attorney for Merit Energy Company

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

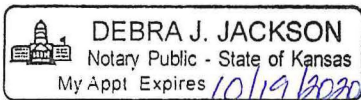
Stanford J. Smith, Jr., of lawful age, being first duly sworn, upon oath states:

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 8th day of October, 2020.

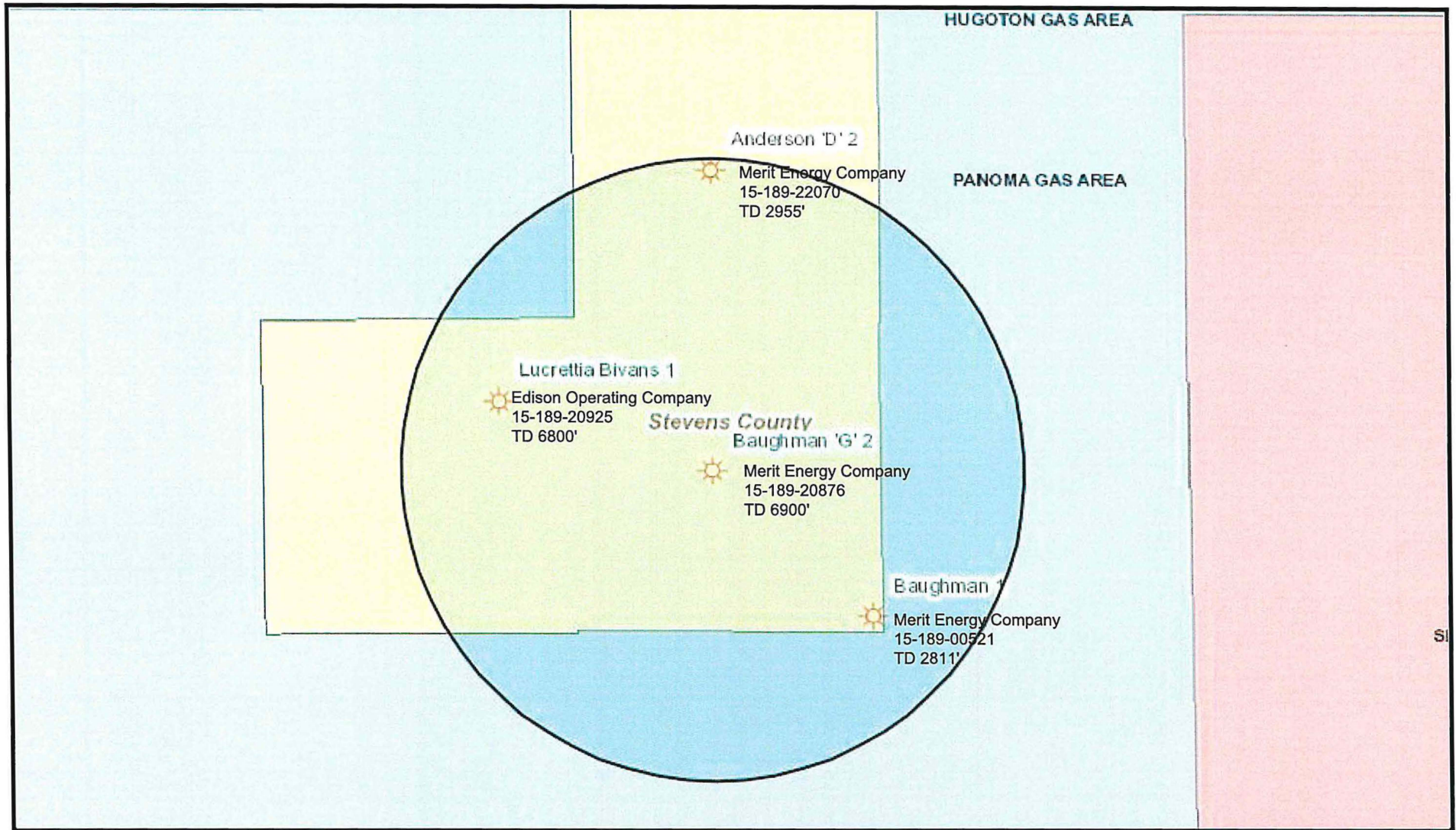




Notary Public

My Appointment Expires:
10/19/2020

Baughman G-2 1/2 Mile AOR Map



Oil and Gas Wells

- | | | | | |
|---------------------------------------|--------------------------------------------|--------------------------------|----------------------------------|------------------------------------------|
| ● Coal Bed Methane | ⊗ Enhanced Oil Recovery, Plugged-Abandoned | ⊗ Injection, Plugged Abandoned | ⊗ Oil and Gas, Plugged Abandoned | ⊗ Other, Plugged Abandoned |
| ● Coal Bed Methane, Plugged-Abandoned | ⊗ Gas | ○ Intent | ● Oil | ⊗ Salt Water Disposal |
| ⊗ Dry and Abandoned | ⊗ Gas, Plugged Abandoned | ○ Location | ⊗ Oil, Plugged Abandoned | ⊗ Salt Water Disposal, Plugged-Abandoned |
| ⊗ Enhanced Oil Recovery | ⊗ Injection | ● Oil and Gas | ○ Other | |

9/30/2020

<https://maps.kgs.ku.edu/oilgas>

EXHIBIT A

EXHIBIT B

Bitter Spar LLC
2250 North Rock Road No. 118-1
Wichita, KS 67226

Edison Operating Company LLC
Building 1900
8100 East 22nd Street North
Wichita, KS 67226

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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 BAUGHMAN G-2 WELL IN THE)	
SOUTHEAST QUARTER OF THE)	
SOUTHEAST QUARTER OF THE)	LICENSE NO. 32446
NORTHWEST QUARTER OF THE)	
NORTHWEST QUARTER OF SECTION)	
19, TOWNSHIP 34 SOUTH, RANGE 35)	
WEST, STEVENS 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 Baughman G-2 well, located in the Southeast Quarter of the Southeast Quarter of the Northwest Quarter of the Northwest Quarter of Section 19, Township 34 South, Range 35 West, Stevens County, Kansas, API # 15-189-20876-00-00.

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

November 04, 2021

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

Re: Temporary Abandonment
API 15-189-20876-00-00
Baughman G 2
NW/4 Sec.19-34S-35W
Stevens 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 11/24/2022.

Your exception application expires on 11/24/2023.

- * 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 11/24/2022.

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

Very truly yours,

Michael Maier