KOLAR Document ID: 1679276

For	ксс	Use:
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Effective	Dat
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District	#	

	1	
SGA?	Yes	No

Form

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 March 2010 Form must be Typed Form must be Signed All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

KSONA-1, Certification of Com	pliance with	the Kansas	Surface Owner	r Notification Act, MUS	T be submitted with this form.

Expected Spud Date:	Spot Description:
month day year	(<u>a/a/a/a)</u> Sec Twp S. R E [] W
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from L E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Nearest Lease or unit boundary line (in footage):
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

- 1. Notify the appropriate district office *prior* to spudding of well;
- 2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
- 3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
- 4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
- 5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
- 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 DAYS of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

Submitted Electronically

For KCC Use ONLY	
API # 15	
Conductor pipe required	feet
Minimum surface pipe required	_ feet per ALT.
Approved by:	
This authorization expires:	
Spud date: Agent:	

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

ш

Well will not be drilled or Permit Expired Date: _ Signature of Operator or Agent: For KCC Use ONLY

API # 15 -___

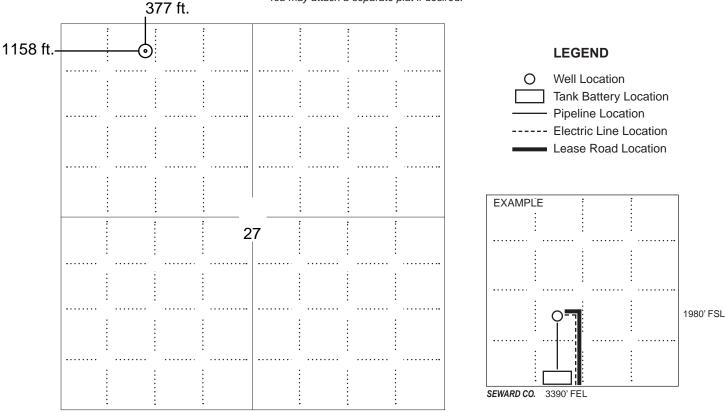
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R E 📃 W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW

PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



NOTE: In all cases locate the spot of the proposed drilling locaton.

In plotting the proposed location of the well, you must show:

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

Side Two

KOLAR Document ID: 1679276

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

	04	bmit in Duplicat		
Operator Name:			License Number:	
Operator Address:				
Contact Person:			Phone Number:	
Lease Name & Well No.:			Pit Location (QQQQ):	
Type of Pit:	Pit is:		···	
Emergency Pit Burn Pit	Proposed	Existing	SecTwpR East West	
Settling Pit Drilling Pit	If Existing, date co	nstructed:	Feet from North / South Line of Section	
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from East / West Line of Section	
		(bbls)	County	
Is the pit located in a Sensitive Ground Water A	rea? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level?	Artificial Liner?		How is the pit lined if a plastic liner is not used?	
Yes No		No		
Pit dimensions (all but working pits):	Length (fe	et)	Width (feet) N/A: Steel Pits	
Depth fro	m ground level to dee	epest point:	(feet) No Pit	
material, thickness and installation procedure.			cluding any special monitoring.	
Distance to nearest water well within one-mile of pit: Depth to shal Source of info		west fresh water feet. nation:		
feet Depth of water wellfeet		measured	well owner electric log KDWR	
Emergency, Settling and Burn Pits ONLY:		Drilling, Worko	ver and Haul-Off Pits ONLY:	
Producing Formation:		Type of materia	l utilized in drilling/workover:	
Number of producing wells on lease:		Number of working pits to be utilized:		
Barrels of fluid produced daily:		Abandonment	procedure:	
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		Drill pits must b	e closed within 365 days of spud date.	
Submitted Electronically				
KCC OFFICE USE ONLY Liner Steel Pit RFAC				
Date Received: Permit Numb	ber:	Permi	t Date: Lease Inspection: Yes No	

KOLAR Document ID: 1679276

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

Form KSONA-
July 202
Form Must Be Typed
Form must be Signed
All blanks must be Filled

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License #	Well Location:		
Name:			
Address 1:	County:		
Address 2:	Lease Name: Well #:		
City: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of		
Contact Person:	the lease below:		
Phone: () Fax: ()			
Email Address:			
Surface Owner Information:			
Name:	sheet listing all of the information to the left for each surface owner. Surface		
Address 1:			
Address 2:			
City: State: Zip:+			

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

□ I certify that, pursuant to the Kansas Surface Owner Notice Act (see Chapter 55 of the Kansas Statutes Annotated), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.

□ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

Submitted Electronically

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

Before Commissioners:

Susan K. Duffy, Chair Dwight D. Keen, Andrew J. French

In the matter of the application of Merit) Energy Company, LLC for a well location) exception for its MTU 401 well, to be located) in the Northwest Quarter of Section 27,) Township 24 South Range 33 West, Finney) License No. 32446 County, Kansas.

Docket No. 23-CONS-3177-CWLE

CONSERVATION DIVISION

ORDER GRANTING APPLICATION

The Commission rules as follows:

I. **JURISDICTION**

1. K.S.A. 74-623 provides the Commission exclusive jurisdiction and authority to

regulate oil and gas activities in Kansas.

2. K.A.R. 82-3-108(a) provides that the setback requirement for oil and gas wells shall

be 330 feet from any lease or unit boundary line, except as provided in subsection (b) or (c).

3. K.A.R. 82-3-108(b) provides that an oil well drilled to a total depth of less than 2,000 feet in any of the following counties in eastern Kansas shall be subject to a setback of 165 feet from any lease or unit boundary: Allen, Anderson, Atchison, Bourbon, Brown, Cherokee, Coffey, Crawford, Douglas, Elk, Franklin, Greenwood, Jackson, Jefferson, Johnson, Labette, Leavenworth, Linn, Lyon, Miami, Montgomery, Neosho, Osage, Shawnee, Wilson, Woodson, and Wyandotte. Further, wells drilled to a total depth of less than 2,500 feet in Chautauqua County are subject to the 165-foot setback.

4. K.A.R. 82-3-108(c) provides that the Commission may grant an exception to well setback requirements, and adjust assigned allowables, if necessary either to prevent waste or protect correlative rights.

5. K.A.R. 82-3-207 provides that a standard oil-well drilling unit shall be 10 acres, except that the standard drilling unit for counties and well depths listed in K.A.R. 82-3-108(b) shall be 2.5 acres.

II. FINDINGS OF FACT

6. On January 11, 2023, Merit Energy Company, LLC (Operator) filed an Application pursuant to K.A.R. 82-3-108(c), requesting a well location exception and full allowable for the presently-plugged MTU #401 (Subject Well).¹ The Subject Well was drilled in 1962 and plugged in 2005.² Operator wishes to washdown and recomplete the Subject Well, which falls within the boundaries of its McWilliams Tait Unit.³

7. The Subject Well is located 1,158 feet from the west line and 377 feet from the north line of Section 27, Township 24 South, Range 33 West, Finney County, Kansas.⁴ Operator requests an exception pursuant to K.A.R. 82-3-108(c).⁵ Operator seeks a well location exception for the Subject Well because it will be recompleted 162 feet from the eastern boundary line of the McWilliams Tait Unit.⁶

¹ See Application, ¶¶ 6, 11 (Jan. 11, 2023). Commission records currently identify the well as the Tait C #6, API# 15-055-10029. (To reach this finding, the Commission takes administrative notice of its records. See K.A.R. 82-1-230(h)).

 $^{^{2}}$ Id.

³ See Application at \P 4.

⁴ See id.

⁵ See id. at \P 6.

⁶ See id. at \P 4.

8. Operator's technical data indicates additional commercial quantities of crude oil can be recovered through the Subject Well and that recompleting the Subject Well is substantially less expensive than drilling and completing a new well.⁷ Accordingly, Operator posits drilling the well will prevent both economic waste and waste of natural resources.⁸ Further, Operator states drilling the well will not violate correlative rights, as the offsetting mineral owners are the same as those for the tract upon which the Subject Well is located, and will share in the royalty from the oil produced on the same basis as the share in the royalty from all oil produced from the McWilliams Tait Unit.⁹

9. Operator served and published notice at least 15 days before the issuance of this Order, as required under K.A.R. 82-3-108(f) and K.A.R. 82-3-135a(d). No protest was filed.

10. The Commission agrees with Operator's position. The Commission finds that granting Operator's Application will prevent waste and protect correlative rights, and that granting the Application raises no apparent pollution issues.¹⁰

III. CONCLUSIONS OF LAW

11. The Commission has jurisdiction over Operator and this matter.

12. Operator's Application was filed in accordance with the rules and regulations of the Commission and in accordance with Kansas statutes.

13. Notice was properly served and published. No protest was filed.

14. Operator's Application should be granted to prevent waste. Operator's Application appears protective of correlative rights, and raises no apparent pollution issues.

⁷ *Id.* at ¶ 7.

⁸ Id.

⁹ *Id*. at ¶ 8.

¹⁰ See K.A.R. 82-3-100(b).

THEREFORE, THE COMMISSION ORDERS:

A. Operator's Application for a well location exception for the Subject Well under K.A.R. 82-3-108 is granted. The Subject Well is assigned a full allowable. The Subject Well shall have a standard drilling unit, except that the acreage of the drilling unit shall be reduced along the eastern side to match the unit boundary line.

B. <u>Operator's Application is being granted via summary proceeding; thus, this Order</u> <u>does not take effect until after the time for requesting a hearing has expired.</u>¹¹ Any party may request a hearing on the above issues by submitting a written request setting forth the specific grounds upon which relief is sought, to the Commission at 266 N. Main, Suite 220, Wichita, Kansas 67202, within 15 days from the date of service of this Order.¹² If a hearing is not requested, then this Order shall become effective upon expiration of the time for requesting hearing.¹³

C. If this Order becomes effective, then any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).¹⁴

BY THE COMMISSION IT IS SO ORDERED.

Duffy, Chair; Keen; Commissioner, French, Commissioner.

Dated: 02/09/2023

Lynn M. Ret

Lynn M. Retz Executive Secretary

Mailed Date: 02/09/2023

KAM

¹¹ See K.S.A. 77-537.

¹² See K.S.A. 77-542.

¹³ See K.S.A. 77-537.

¹⁴ See K.S.A. 55-606; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

23-CONS-3177-CWLE

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of

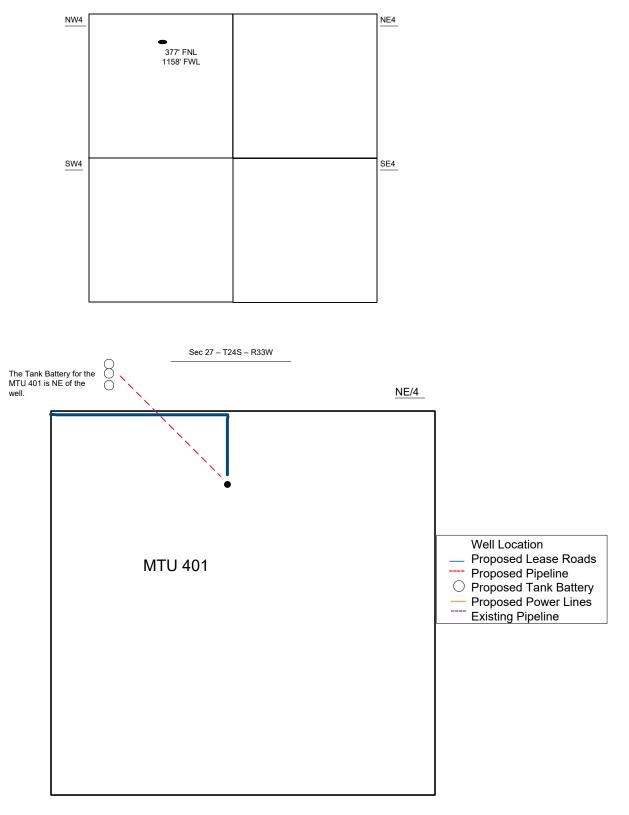
first class mail and electronic service on 02/09/2023

JAKE EASTES, GEOLOGIST SPECIALIST KANSAS CORPORATION COMMISSION 266 N. Main St., Ste. 220 WICHITA, KS 67202-1513 j.eastes@kcc.ks.gov KELCEY MARSH, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION CENTRAL OFFICE 266 N. MAIN ST, STE 220 WICHITA, KS 67202-1513 k.marsh@kcc.ks.gov

JONATHAN A. SCHLATTER, ATTORNEY MORRIS LAING EVANS BROCK & KENNEDY CHTD 300 N MEAD STE 200 WICHITA, KS 67202-2745 jschlatter@morrislaing.com

> /S/ KCC Docket Room KCC Docket Room

Proposed Plan of Construction MTU 401 Sec 27 T24S-R33W Finney County, KS



Proposed Details of NE/4 Sec 27 – T24S – R33W



Note-Drawing Not to Scale

* Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.	Kansas Corporation Com Oil & Gas Conservation Di WELL PLUGGING REC K.a.r. 82-3-117	VISION JUN - 6 2005 Type or Print on this Form
Lease Operator: Oxy USA, 1		API Number: 15-055-10029-00-00
Address: Box 2528 Lil	beral KS	Lease Name: <u>Tait C</u>
Phone: (620) 629-4200 op	erator License #: <u>5447</u>	Well Number:
Type of Well: Oil (Oil, Gas D&A, SWD, ENHR, Water Supply Well, O The plugging proposal was approved on:	athodic, Other) (If SWD or ENHR)	Spot Location (QQQQ): <u>NW</u> - <u>NW</u> Feet from <u>V</u> North / South Section Line Feet from East / <u>V</u> West Section Line
		Sec. 27 Twp. 24 S. R. 33 East West
Is ACO-1 filed? Yes XNo If no Producing Formation(s): List All (If needed atta	, is well log attached? Yes XNo	County: Finney
	: <u>4892</u> Bottom: <u>491/</u> T.D. 5000	Date Well Completed: 10-29-62.
	: Bottom: T.D	Plugging Commenced: <u>3-14-05</u>
Depth to Top	: Bottom: T.D	Plugging Completed: <u>3-15-05</u>

Show depth and thickness of all water, oil and gas formations.

ÓF

Oil, Gas or Water Records		Casing Record (Surface Conductor & Production)					
Formation	Content	From	То	Size	Put In	Pulled Out	
				85/8	1926		
				5 1/2	4994	602	

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

52 was stuck @700 Mixed 400 1b. hulls to 25 5x cmt. to
plug perfs from 4883 to 4683, pumped 64 bbls. mud spacer to
2000, 25 5x 2000 to 1800, mud to 0, Shot 5'2 loose @ 602 Circ.
hole w/mud, 55 SX cmt. 600 to 450 10 SX 40 to 0 Capped 8 3 3 At below Gel
Name of Plugging Contractor: SARGENTANDHORTON PLUGGING, INC. License #: 3/15/
Address: Rt. 1, Box 49 BA Tyrone, OK 73951-9731
Name of Party Responsible for Plugging Fees: OXY USA Line.
State of Kanzas County, Seward , ss.
sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the
ANITA PETERSON (CIAL MY COMMISSION EXPIRES) (Signature)
(Address) / 70/ 1 Kanzos PO Box 2528 Liberof, Kz. 67905
SUBSCRIBED and SWORN TO before me this <u>31</u> day of <u>May</u> , <u>2005</u>
With Paterson My Commission Expires: U.C. 1, 2005

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 67202-1513

Susan K. Duffy, Chair Dwight D. Keen, Commissioner Andrew J. French, Commissioner

February 15, 2023

IDANIA MEDINA

Merit Energy Company, LLC 13727 Noel Road, Suite 1200 Dallas, TX 75240-7362

Re: Drilling Pit Application MTU 401 NW/4 Sec.27-24S-33W Finney County, Kansas

Dear IDANIA MEDINA:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit within 96 hours of completion of drilling operations.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 682-7933 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (620) 682-7933.



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Laura Kelly, Governor