

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CP-1
March 2010

This Form must be Typed
Form must be Signed
All blanks must be Filled

WELL PLUGGING APPLICATION

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

OPERATOR: License #: 32446
Name: Merit Energy Company
Address 1: 13727 Noel Rd. Suite 500
Address 2: _____
City: Dallas State: TX Zip: 75240 + _____
Contact Person: Lynne Moon / Regulatory Manager
Phone: (972) 628-1569

API No. 15 - 175-21106-0000
If pre 1967, supply original completion date: _____
Spot Description: _____
SE NE NW Sec. 22 Twp. 33 S. R. 34 East West
1,346 Feet from North South Line of Section
2,875 Feet from East West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Seward
Lease Name: Etzold Unit North Well #: 3-7

JUL 02 2010

CONSERVATION DIVISION

WICHITA, KS

Check One: Oil Well Gas Well OG D&A Cathodic Water Supply Well Other: Int
 SWD Permit #: _____ ENHR Permit #: 524960.6 Gas Storage Permit #: _____

Conductor Casing Size: _____ Set at: _____ Cemented with: _____ Sacks
Surface Casing Size: 8-5/8" Set at: 1630 Cemented with: 775 Sacks
Production Casing Size: 5-1/2" Set at: 6374' Cemented with: 200 Sacks

List (ALL) Perforations and Bridge Plug Sets:

6262' - 6280'

Elevation: 2911' (G.L. / K.B.) T.D.: 6460' PBTD: 6365' Anhydrite Depth: _____
(Stone Corral Formation)

Condition of Well: Good Poor Junk in Hole Casing Leak at: _____
(Interval)

Proposed Method of Plugging (attach a separate page if additional space is needed):

Per KCC Instructions (Emergency Plugging Application)

Is Well Log attached to this application? Yes No Is ACO-1 filed? Yes No

If ACO-1 not filed, explain why:

Plugging of this Well will be done in accordance with K.S.A. 55-101 et. seq. and the Rules and Regulations of the State Corporation Commission

Company Representative authorized to supervise plugging operations: Dwain Wall

Address: P. O. Box 1293 City: Liberal State: KS Zip: 67901 + _____

Phone: (620) 624-5546

Plugging Contractor License #: 33338 Name: Orr Enterprises Inc.

Address 1: P. O. Box 1706 Address 2: _____

City: Duncan State: OK Zip: 73534 + _____

Phone: (580) 251-9618

Proposed Date of Plugging (if known): 07/12/2010

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Date: 07/01/2010 Authorized Operator / Agent: [Signature] (Signature)

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

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 # 32446
Name: Merit Energy Company
Address 1: 13727 Noel Rd. Suite 500
Address 2: _____
City: Dallas State: TX Zip: 75240 + _____
Contact Person: Lynne Moon / Regulatory Manager
Phone: (972) 628-1569 Fax: (972) 628-1869
Email Address: lynne.moon@meritenergy.com

Well Location:
SE NE NW Sec. 22 Twp. 33 S. R. 34 East West
County: Seward
Lease Name: Etzold Unit North Well #: 3-7

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: RECEIVED
KANSAS CORPORATION COMMISSION
Address 1: _____
Address 2: _____
City: _____ State: CONSERVATION DIVISION
WICHITA, KS

* SEE ATTD.

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

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 (House Bill 2032), 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 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.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 07/01/2010 Signature of Operator or Agent: [Signature] Title: Regulatory Manager

Operator: Merit Energy Company
13727 Noel Rd. Suite 500
Dallas, Texas 75240

Contact: Lynne Moon
972-628-1569 (direct)
972-628-1869 (fax)
Lynne.moon@meritenergy.com (email)

SURFACE OWNERS ETZOLD UNIT NORTH 3-7 SEC. 22-T33S-R34W SEWARD COUNTY, KS

Central Plains Farming, LLC
P. O. Box 128
St. Plains, KS 66771

Tuls Dairy Farms
Route 1 Box 166A
Liberal, KS 67901

Anadarko Petroleum Company
1201 Lake Robbins Dr.
The Woodlands, Texas 77380

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 02 2010

CONSERVATION DIVISION
WICHITA, KS



CORPORATION COMMISSION

Mark Parkinson, Governor Thomas E. Wright, Chairman, Joseph F. Harkins, Commissioner, Ward Loyd, Commissioner

NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

MERIT ENERGY COMPANY, LLC
13727 NOEL RD STE 500
DALLAS, TX 75240-7312

July 12, 2010

Re: ETZOLD UNIT NORTH #3-7
API 15-175-21106-00-00
22-33S-34W, 1346 FSL 2875 FEL
SEWARD COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division has received your plugging proposal, form CP-1, for the above well and has reviewed the proposal for completeness. The central office will now forward your CP-1 to the district office listed below for review of the proposed plugging method. **Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113(b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit in accordance with K.A.R. 82-3-600.**

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well. This notice in no way constitutes authorization to plug the above well by persons not having legal rights of ownership or interest in the well.

This notice is void after January 8, 2011. The CP-1 filing does not bring the above well into compliance with K.A.R. 82-3-111 with regard to the Commission's temporary abandonment requirements.

Sincerely

Steve Bond
Production Department Supervisor

District: #1
210 E Frontview, Suite A
Dodge City, KS 67801
(620) 225-8888