

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



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

Sam Brownback, Governor

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

May 18, 2016

Merit Energy Company 1701 N. Kansas PO Box 1293 Liberal, KS 67905

Re: Wiggains 12-13

NE/4 Sec. 12-35S-36W Stevens County, Kansas 15-189-22837-00-00

Closure of Drill Pit - Extension of Time Unavailable

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Operator:

A review of your recent correspondence and/or our files indicates that the referenced pit remains open, and that a further extension of time to close the pit is not available to you. The pit is or was required to be closed by April 16, 2016.

If you wish to obtain an exception to K.A.R. 82-3-602, you will need to file a formal application and publish notice under K.A.R. 82-3-100. Note that the application may or may not be granted. You may contact our legal department if you have questions about that process.

If the referenced pit is not closed along with a Surface Pit Closure ("CDP-4") Form submitted, or alternatively if a formal application has not been filed, by **June 15**, **2016**, staff may make a penalty recommendation to the Commission, which may result in a monetary fine.

You are welcome to contact me with any questions, by either calling the phone number at the top of the page or emailing me at k.haynes@kcc.ks.gov.

Sincerely,

Kathy Haynes

Conservation Division

Kathy Hyres

Kansas Corporation Commission

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



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

Sam Brownback, Governor

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

April 8, 2016

Merit Energy Company 1701 N. Kansas PO Box 1293 Liberal, KS 67905

Re: Wiggains 12-13

NE/4 Sec. 12-35S-36W Stevens County, Kansas 15-189-22837-00-00

Dear Sir or Madam:

This letter is to inform you that you have been granted an additional extension of time in which to close the drilling pits associated with the Wiggains 12-13 well.

The original 365 days for closure expired on 10/16/2015. This extension will expire 4/16/2016. **No additional extensions will be granted**. In the event there is water standing in these pits, please dewater and dispose of fluids in an authorized disposal facility to expedite closure. Extension of this time frame automatically extends the time period for filing the closure of surface pit form, but not the time period for filing the waste transfer form (CDP-5).

Failure to close the pit prior to the expiration date shall result in a monetary penalty in accordance with K.A.R. 82-3-602(a).

Please complete the pit closure form (CDP-4) through Kolar (Kansas On-Line Automated Reporting) at https://kolar.kgs.ku.edu.

If you have any questions in this regard, please do not hesitate to contact Kathy Haynes at (316) 337-6243.

Sincerely,

Ryan A. Hoffman

Director

Cc: File

District

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



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

Sam Brownback, Governor

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

January 7, 2016

Merit Energy Company 1701 N. Kansas PO Box 1293 Liberal, KS 67905

Re: Wiggains 12-13

NE/4 Sec. 12-35S-36W Stevens County, Kansas 15-189-22837-00-00

Dear Sir or Madam:

This letter is to inform you that you have been granted an extension of time in which to close the drilling pits associated with the Wiggains 12-13 well.

The original 365 days for closure expired on 10/16/2015. This extension will expire on 4/07/2016. We urge you to make every effort to close these pits within this time frame. In the event there is water standing in these pits, please dewater and dispose of fluids in an authorized disposal facility to expedite closure. Extension of this time frame automatically extends the time period for filing the closure of surface pit form, but not the time period for filing the waste transfer form (CDP-5).

Failure to close the pit or request an additional extension prior to the expiration date shall result in a monetary penalty in accordance with K.A.R. 82-3-602(a). An additional pit extension may be renewed upon request, but no pit permit extension shall be extended beyond six months after the original deadline.

Please complete the pit closure form (CDP-4) through Kolar (Kansas On-Line Automated Reporting) at https://kolar.kgs.ku.edu.

If you have any questions in this regard, please do not hesitate to contact Kathy Haynes at (316) 337-6243.

Sincerely,

Ryan A. Hoffman

Director

Cc: File

District



Merit Energy Company 1701 N. Kansas P.O. Box 1293 Liberal, Kansas 67905

January 6, 2016

Kansas State Corporation Commission Conservation Division (Oil & Gas) 266 N. Main St., Ste. 220 Wichita, KS 67202-1513

RE:

| Name | Pit Type | API | Comment |
|----------------|----------|------------------|---------------------------------------|
| Shell B-6 | Onsite | 15-055-22331 | Pit is still wet due to Snow and Rain |
| Wiggains 12-13 | Onsite | 15-189-22837 | Pit is still wet due to Snow and Rain |
| | | 15-175-22230-01- | |
| Hoffman T-4 | Onsite | 00 | Pit is still wet due to Snow and Rain |

Miss Haynes:

The pit closures for the wells listed above are coming due, but the pits are too wet to be backfilled, due to snow and rain we've had lately.

We are requesting an extension of the deadline to 2/29/2016, hoping that time frame will give the pits enough time to dry.

Thanks in advance for your patience. If there are any questions or you require further information, please contact me at the address listed above or by phone at (620) 629-4228.

Sincerely,
Idania Nedera

Idania Medina

Merit Energy Company - Regulatory Analyst

Cc:

Merit – Dallas Well Files

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

| Before Commissioners: | Jay Scott Emler, Chair Shari Feist Albrecht Pat Apple | mar | 1 |
|--------------------------------|---|-----|------------------------------|
| In the matter of application o | f Merit Energy Company, |) | Docket No. 16-CONS-4022-CEXC |
| LLC, for an order granting ar | exception to the pit |) | |
| closure time limitations of K. | A.R. 82-3-602(a)(2) at its |) | CONSERVATION DIVISION |
| Wiggains 2-13 located in the | Northeast Quarter of |) | |
| Section 12, Township 35 Sou | ~ |) | License No. 32446 |

ORDER GRANTING APPLICATION

Stevens County, Kansas.

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 states the Commission may grant an exception to a regulation.
- 3. K.A.R. 82-3-602 provides a 365-day deadline for closing drilling pits and a 90day deadline for closing workover pits. A three-month extension may be granted by the director, but no more than two such extensions may be granted without a Commission order.

II. FINDINGS OF FACT

4. Merit Energy Company, LLC ("operator") filed an application for an exception to K.A.R. 82-3-602(a)(2), requesting an extension to close the drilling pits at the Wiggains 2-13. The operator cited heavy precipitation as the reason the extension is needed.

- 5. 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.
 - 6. No protest was filed under K.A.R. 82-3-135b.

III. CONCLUSIONS OF LAW

- 7. The Commission has jurisdiction over the operator and this matter.
- 8. The application was filed in accordance with the rules and regulations of the Commission and Kansas statutes.
 - 9. Notice was properly served and published.
- 10. The Commission concludes that a 90-day extension to close the drilling pits at the Wiggains 2-13 will not present a threat to fresh and usable water and should be granted.

THEREFORE, THE COMMISSION ORDERS:

- A. Merit Energy Company, LLC is granted 90 days from the date of service of this Order to close the drilling pits at the Wiggains 2-13.
- 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.

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: | JUN 2 1 2016 | Hmy I Treen |
|-------------|---------------|--|
| | Tuna 21, 2016 | Amy L. Green Secretary to the Commission |
| Date Mailed | June 21, 2016 | |

LRP

CERTIFICATE OF SERVICE

I certify that on _______, 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 Road, Suite 1200 Dallas, Texas 75240

And delivered by email to:

Kathy Haynes, KCC Central Office

/s/ Cynthia K. Maine
Cynthia K. Maine
Litigation Counsel
Kansas Corporation Commission