

NOTICE

This scan only represents the application as filed. The information contained herein meets the requirements of K.A.R. 5-3-1 or K.A.R. 5-5-1, and has been found acceptable for filing in the office of the Chief Engineer. The application should not be considered to be a complete application as per K.A.R. 5-3-1b or K.A.R. 5-5-2a.

Submit To: CHIEF ENGINEER
 Division of Water Resources
 Kansas Department of Agriculture
 1320 Research Park Drive
 Manhattan, Kansas 66502
<http://agriculture.ks.gov/dwr>

APPLICATION FOR TERM PERMIT

- GROUNDWATER
 SURFACE WATER
 (check one)

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APR 07 2021

11:57



State of Kansas

20219024

STATUTORY FILING FEE MUST ACCOMPANY THIS APPLICATION
 (Make check payable to the Kansas Department of Agriculture)

1. Applicant: (Please print or type)
 Name Merit Energy Company, LLC
 Street 13727 Noel Road-Ste. 1200
 City and State Dallas, Texas
 Zip Code 75240 Telephone No. (972) 628-1572
 E-Mail Address sean.craven@meritenergy.com
 Social Security I.D. No. _____
 and/or Taxpayer I.D. No. 75-2280562

2. Location of Point of Diversion:
 Sec. 8, Twp. 34S, Rng. 43W, (EW),
Morton County, Kansas.
 Distance from Southeast Corner of Section:
1,250 feet North from Southeast Corner
2,200 feet West from Southeast Corner
 NOTE: If point of diversion is not site specific (i.e. groundwater pit) show the approximate geographic center.

3. Water Use Data:
 Proposed Max. Pumping Rate (gpm) 50
 Amount Requested (acre-feet) 95
 per calendar year
 Depth of Well (feet) PW-1 (166); PW-2 (178); PW-3 (240); PW-4 (220)
 Date (completed) (will be completed) PW-1/PW-2(2006); PW-3(2009); PW-4(2012)
 Drainage Basin Cimarron
 Name of Stream NA

4. Water is to be used for (briefly describe proposed use and explain the rate and quantity requested):
Remediation of chloride impacted groundwater at a maximum of 40 gallons per minute

5. Location of place of use:
On-site disposal through UIC (Permit D-34,005)

6. Period of use:
 Commencing date: April 15, 2021
 Ending Date: April 14, 2026 **Also enter on Item 12**

If off-stream pit, check here
 Will pit floor intersect water table? Yes No

7. Location of the proposed point of diversion and those of other water users within 1/2 mile shall be indicated on the diagram to the lower-left, scale 1 inch = 2,000 feet. If surface water, indicate on the diagram the course of the stream, and its name. List other D.W.R. permit numbers that cover the requested point(s) of diversion or place of use here:
Location marked with an X (PW-3) - historically used File number 20099078-00; additional wells are shown on the attached figures

FEE SCHEDULE

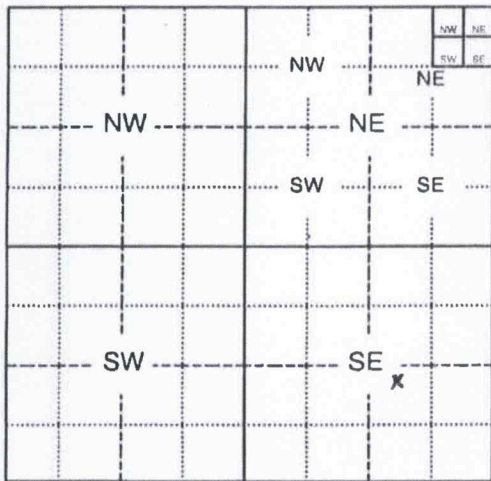
1. The filing fee for an application is based on the maximum amount of water use proposed within a year. Except for storage, the fee is:
- | Acre-feet | Fee |
|---------------|----------|
| 0-100 | \$200.00 |
| 101-320 | \$300.00 |
| More than 320 | \$300.00 |
- plus \$20 for each additional 100 acre-feet or any part thereof.
2. The fee for an application in which storage is requested, is:
- | Acre-feet | Fee |
|---------------|----------|
| 0-250 | \$200.00 |
| More than 250 | \$200.00 |
- plus \$20.00 for each additional 250 acre-feet of storage or any part thereof.

NOTE: If an application requests both direct use and storage, the fee charged shall be as determined under No. 1 or No. 2 above, whichever is greater, but not both fees.

3. A request for an extension of time to extend the term of a term permit shall be accompanied by a fee of \$100.00.
4. There is a separate application form for domestic use. Do not use this form for domestic use.

CONVERSION FACTORS

1 acre-foot equals 325,851 gallons
 1 million gallons equal 3.07 acre-feet



4/8/2021
 LMoody

Assisted by _____

For Office Use Only **3**
 F.O. 4 GMD Meets K.A.R. 5-3-1 YES/NO Use **CON** Source G/S County **MT** By **BMM** Date **4/7/21**
 Code **TRP** Fee \$ 200 TR # _____ Receipt Date 4.7.2021 Check # 182

8. For groundwater use, list below all wells within 1/2 mile of the proposed well, and plot locations upon the diagram on reverse side. If additional space is needed, attach a map.

Other wells -

Well A Owner(s): PW1, PW2, PW4, MW13-8, MW14-8, MW15-8 MW16-8, MW17-8, MW18-8 - Merit Energy Company, LLC (MW1, MW2 are plugged)
Address: 13727 Noel Road-Ste. 1200; Dallas, Texas 75240

Well B Owner(s):
Address:

9. For surface water use, list below the names and addresses of all landowners from a point 1/2 mile upstream to a point 1/2 mile downstream of the tract of land upon which the point of diversion is located. If additional space is needed, attach sheet.

Tract A Owner(s):
Address:

Tract B Owner(s):
Address:

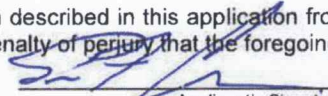
10. The owner of the point of diversion, if other than the applicant is (please print):

(name, address and telephone number)

You must provide evidence of legal access to, or control of, the point of diversion from the landowner or the landowner's authorized representative. Provide a copy of a recorded deed, lease, easement or other document with this application. In lieu thereof, you may sign the following sworn statement:

I have legal access to, or control of, the point of diversion described in this application from the landowner or the landowner's authorized representative. I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 14th, 2020


Applicant's Signature

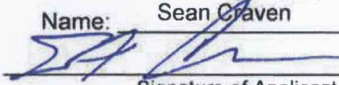
The applicant must provide the required information or signature irrespective of whether they are the landowner. Failure to complete this portion of the application will cause it to be unacceptable for filing and the application will be returned to the applicant.

11. The applicant states that the information set hereon is true and accurate to the best of his/her knowledge.

12. The applicant agrees to waive any right to a hearing on the matter of abandonment of this appropriation right and further agrees that this appropriation right may be dismissed and terminated upon completion of the proposed project, said dismissal date to be on April 14, 2026 or within any extension of time authorized by the Chief Engineer, Division of Water Resources, Kansas Department of Agriculture.

13. The applicant agrees to provide water to nearby water users, at no charge to said users, should their rights to use water become impaired by the project proposed by this application.

14. Water use contact person (in event emergency contact is needed):

Name: Sean Craven Telephone No. (972) 628-1572
 Signature of Applicant or _____ Authorized Representative Date 04/05/2021
SEAN F. CRAVEN Applicant's Name Printed _____ Title

DO NOT WRITE BELOW THIS LINE

CONDITIONS OF APPROVAL:

The applicant shall maintain accurate and complete records from which the quantity of water diverted during each calendar year may be readily determined. Accurate and complete records shall be furnished to the Chief Engineer by March 1 following the end of each calendar year. Failure to file the annual water use report by the due date, shall cause the applicant to be subject to a civil penalty.

The use of water herein authorized shall not be made so as to impair any use under existing water rights nor prejudicially and unreasonably affect the public interest.

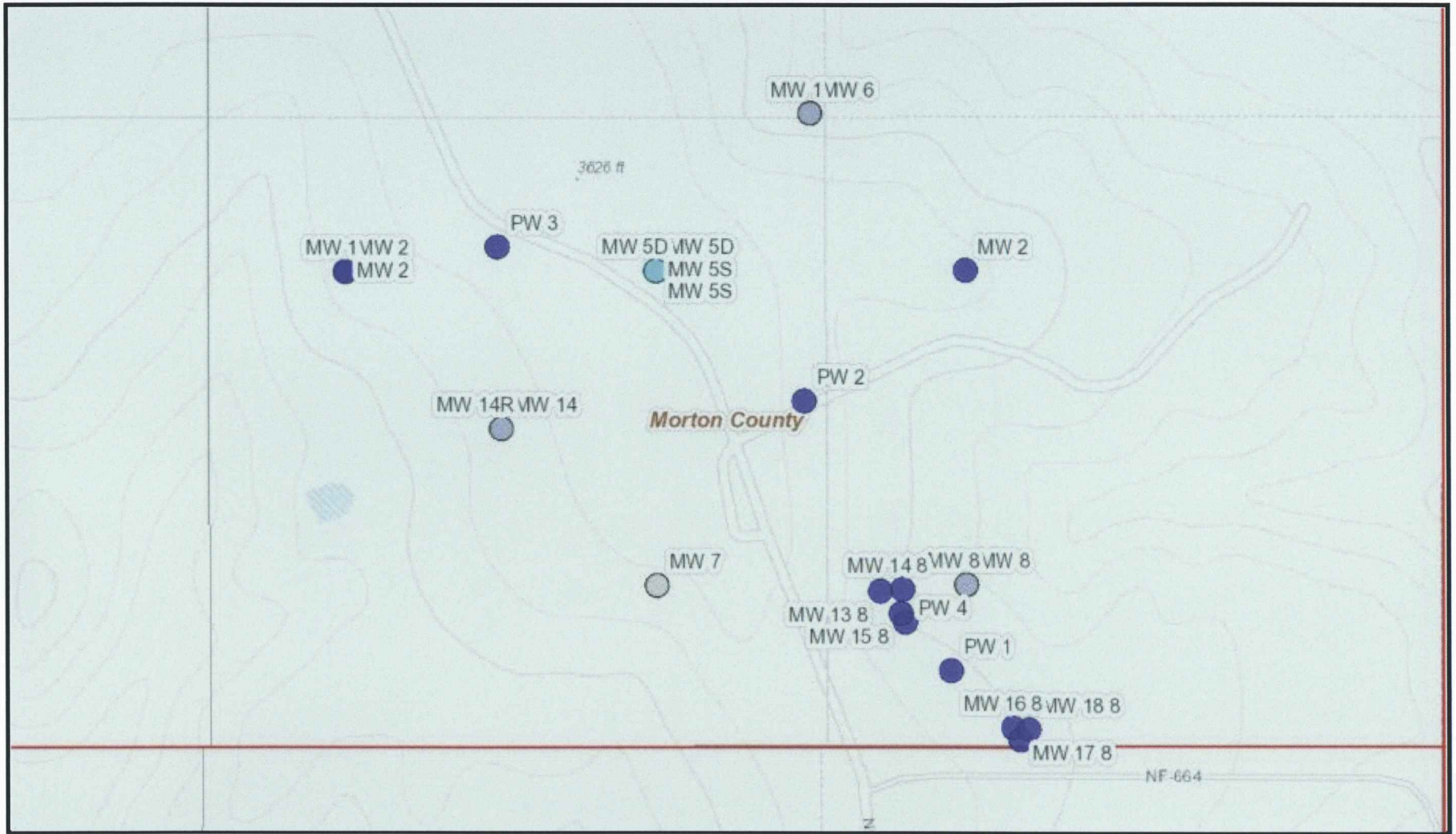
The Chief Engineer specifically retains jurisdiction in this matter with authority to make such reasonable reductions in the approved rate of diversion and quantity authorized, and such changes in other terms, conditions, and limitation set forth in this approval and permit to proceed as may be deemed to be in the public interest.

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Wells



WWC5 Water Wells

- Constructed
- Reconstructed
- Plugged

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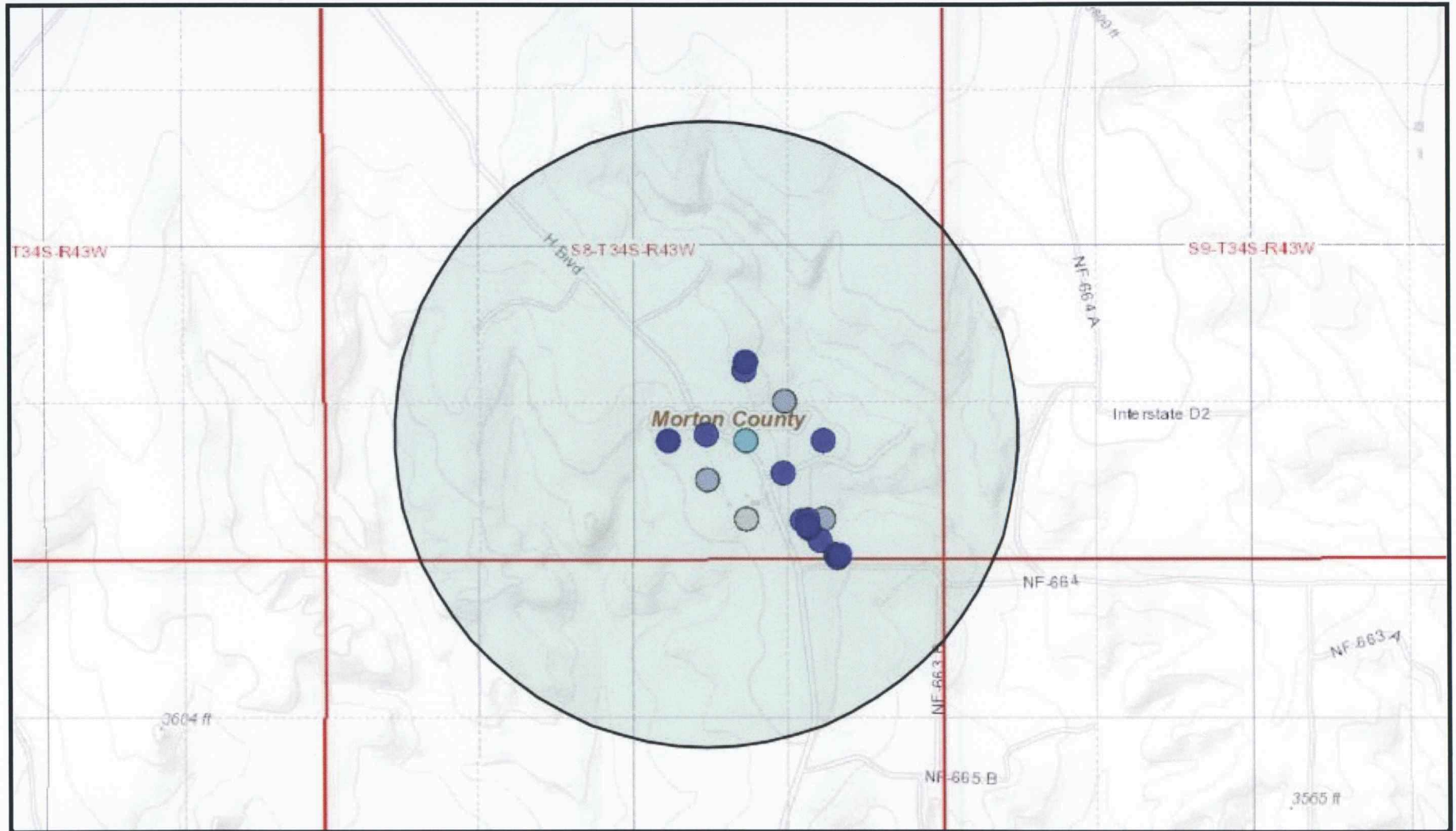
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4/1/2021

<https://maps.kgs.ku.edu/wwc5>

Wells - 0.5 Mile Radius



WWC5 Water Wells

- Constructed
- Reconstructed
- Plugged

KANSAS DEPT OF AGRICULTURE

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4/1/2021

<https://maps.kgs.ku.edu/wwc5>



SURFACE LEASE

Date Recorded: 10/6/2020 11:17:50 AM

STATE OF Kansas)

)ss

COUNTY OF Morton)

KNOW ALL MEN BY THESE PRESENTS:

THIS LEASE is made and entered into by and between **James W. Finn and Diane M. Finn (H&W)** , whose address is 260 H Blvd, Richfield, Kansas 67953-9713 hereinafter called "Lessor", whether one or more, and, **MERIT HUGOTON II, LLC**, a Delaware limited partnership, hereinafter called "Lessee".

WITNESSETH: That,

WHEREAS, Lessee desires to lease a tract of land from Lessor upon which it may construct, operate, and maintain a Site, together with the right to construct, operate and maintain tanks, buildings, pumps, meters, valves, pits and other appurtenances, and upon which it may install, lay, operate and maintain pipelines, electric poles and lines and all other equipment and installations necessary for the purpose of operating the said Site for storage of Smith B5 Fluids and current remediation Recovery fluids described in that Surface and Subsurface Use Agreement recorded at Book 124 page 90-94 of the Morton County records only. Lessee agrees to operate said site and plugging the Smith B4 salt water disposal well upon abandonment pursuant to Kansas Corporation Commission guidelines and procedures.

NOW, THEREFORE, for and in consideration of the rental payments herewith and hereafter to be made and the covenants and conditions herein contained, Lessor does hereby lease and let unto Lessee, for its exclusive use as aforesaid, the following described tracts of land located in Morton County Kansas, to-wit:

Township 34 South; Range 43 West

Section 8: SE/4

A tract of land approx. 150 feet E-W by 150' N-S and more fully described in Exhibit A attached.

together with the right of ingress and egress at all times during the term of this lease or any renewal or extension thereof.

TO HAVE AND TO HOLD the same unto Lessee, its successors and assigns, for the uses and purposes aforesaid, subject to the following terms and conditions:

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1. The primary term of this lease shall be TEN (10) years beginning September 10, 2020 .
2. During the primary term of this lease Lessee shall pay to Lessor an annual rental of TWO THOUSAND Dollars (\$2,000.00), payable on or before September 10, 2020 , and annually thereafter. All rentals shall be paid to Lessor at the address above or any other address that may hereafter be designated by Lessor. The receipt of the first year's rental is hereby acknowledged by Lessor.
3. Notwithstanding any other provisions herein contained to the contrary, it is agreed and understood that Lessee may at any time before the expiration of the primary term of this lease, or any renewal or extension thereof, assign or cancel and surrender this lease as to a part or all of the land above described by filing for record in the office of the County Clerk, or other authorized recorder of deeds, for the county and state aforesaid, an assignment or release to that effect.
4. Lessee may at any time before the termination of this lease, or within a reasonable time thereafter, remove from said premises any tanks, pipelines, buildings, and other structures and fixtures as it may have placed thereon. Upon termination of the lease, or upon removal of Lessee's property, Lessee shall surrender possession of the Leased Premises to Lessor.
5. This lease shall never be forfeited or terminated for failure of Lessee to perform in whole or in part any of its express or implied covenants, conditions or obligations, including the payment of rentals, until Lessee shall have first been notified in writing by Lessor of the condition of which Lessee is in default, and Lessee shall have a reasonable time after such notice within which to comply with any such covenants, conditions or obligations under which Lessor has advised Lessee that Lessee is in default.
6. Lessor hereby warrants and shall defend the title to the land herein leased and shall protect and hold Lessee harmless from any claims made against Lessee by third parties as to the title and rights granted herein.
7. No change of ownership in the land under this lease shall be binding on the Lessee for any purpose, including the payment of rental hereunder, until after written notice thereof to the Lessee, and until

Lessee has been furnished with either the original recorded instrument of conveyance or a certified copy thereof at least sixty (60) days before the next ensuing rental payment date, together with like proof of all intermediate transfers showing complete chain of title back to the Lessor to the full interest claimed.

8. The terms, covenants and conditions herein shall run in favor of and be binding upon the parties hereto, their heirs, beneficiaries, executors, administrators, successors and assigns.

WITNESS THE EXECUTION HEREOF this 14th day of September, 2020.

LESSOR: James W. Finn

James W. Finn

LESSOR: Diane M. Finn

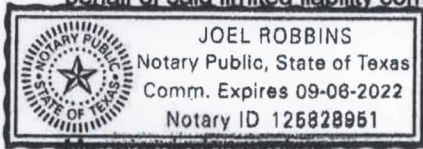
Diane M. Finn

LESSEE: MERIT HUGOTON II, LLC

By Christopher S. Hagge ✕
Name: Christopher S. Hagge,
Title: Vice President

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

This instrument was acknowledged before me on this 14th day of September, 2020, by Christopher S. Hagge, as Vice President of Merit Hugoton II, LLC, a Delaware limited liability company, on behalf of said limited liability company.



My commission expires _____

Joel Robbins
Notary Public

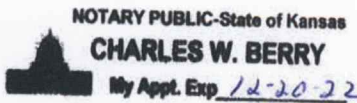
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STATE OF KANSAS)
) SS
COUNTY OF MORTON)

On this 14th day of September, 2020, before me, a notary public, in and for said county and state, personally came James W. Finn and Diane M. Finn (H&W), who is/are personally known to me to be the same person(s) who executed the foregoing instrument, and such person(s) duly acknowledged the execution of the same as their voluntary act and deed.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my notarial seal the day and year last above written.

12-20-22 My Commission Expires Charles W Berry Notary Public



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Exhibit A

Google Maps

150' X 150' SITE

SE/4 8-34-43
MORTON CO KS



Book: 202 Page: 111



Google

Imagery ©2020 Maxar Technologies, USDA Farm Service Agency, Map data ©2020 100 ft

NOT-TO-SCALE

AGRICULTURE
RESOURCES
DEIVED
07 2021

DATA ENTRY SYSTEM ID NUMBER SHEET

20219024

FILE NUMBER _____

APPLICANT

PDIV ID

BATTERY ID

PERSON ID & SEQ #

88747

54521

LANDOWNER

37045

PUSE ID

PERSON ID & SEQ #

54521

WATER USE CORRESPONDENT

PERSON ID & SEQ #

54521

1320 Research Park Drive
Manhattan, KS 66502
785-564-6700
www. agriculture.ks.gov



900 SW Jackson, Room 456
Topeka, KS 66612
785-296-3556

Mike Beam, Secretary

Laura Kelly, Governor

April 7, 2021

MERIT ENERGY COMPANY, LLC
13727 NOEL ROAD, STE. 1200
DALLAS TX 75240

RE: Application, File No(s). **20219024**

Dear Sir or Madam:

The Division of Water Resources (Division) has received your application(s) for a permit to appropriate water for beneficial use. Your application(s) has been assigned the file number(s) referenced above. Please be aware that the Division may have a large number of pending applications on hand at times and makes every attempt to process them in the order in which they are received. You will be contacted if additional information is required.

Please note, this letter only acknowledges receipt of your application(s) and does not guarantee approval. In accordance with the provisions of the Kansas Water Appropriation Act, the use of water as proposed prior to approval of the application(s) is unlawful.

Additional information about the process may be found on our website at agriculture.ks.gov/divisions-programs/dwr. If you have any other questions, please contact our office at 785-564-6640 or your local Garden City Field Office at 620-276-2901. *Garden City Field Office at 620-276-2901*. If you call, please reference the file number so we can help you more efficiently.

Sincerely,

A handwritten signature in black ink that reads "Kris Neuhauser". The signature is written in a cursive style with a long horizontal flourish at the end.

Kris Neuhauser
New Applications Lead
Water Appropriation Program