

For KCC Use:  
Effective Date: 5-31-06  
District # 3  
SGA? ☐ Yes ☒ No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

RECEIVED

MAY 26 2006

KCC WICHITA

Form C-1  
December 2002  
Form must be Typed  
Form must be Signed  
Blanks must be Filled

Expected Spud Date June 5 2006  
month day year

OPERATOR: License# 33157  
Name: R. D. Energy, Inc.  
Address: 905 North Montgomery  
City/State/Zip: Sedan Kansas 67361  
Contact Person: Rod Dickens  
Phone: (620) 331 - 9340  
CONTRACTOR: License# 5989  
Name: Finney Drilling

Well Drilled For: ☒ Oil ☐ Enh Rec ☒ Infield ☒ Mud Rotary  
☐ Gas ☐ Storage ☐ Pool Ext. ☐ Air Rotary  
☐ OWWO ☐ Disposal ☐ Wildcat ☐ Cable  
☐ Seismic; # of Holes ☐ Other

If OWWO: old well information as follows:

Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore? ☐ Yes ☒ No

If Yes, true vertical depth: \_\_\_\_\_

Bottom Hole Location: \_\_\_\_\_

KCC DKT #: \_\_\_\_\_

Spot E/2 W/4 NE SW Sec. 27 Twp. 33 S. R. 11  
1990 feet from ☐ N / ☒ S Line of Section  
3480 feet from ☒ E / ☐ W Line of Section  
Is SECTION ☒ Regular ☐ Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Chautauqua  
Lease Name: Mordy Well #: 7  
Field Name: Peru - Sedan Oil & Gas  
Is this a Prorated / Spaced Field? ☐ Yes ☒ No  
Target Formation(s): Wayside Sandstone  
Nearest Lease or unit boundary: 650  
Ground Surface Elevation: 975 feet MSL  
Water well within one-quarter mile: ☐ Yes ☒ No  
Public water supply well within one mile: ☐ Yes ☒ No  
Depth to bottom of fresh water: 220  
Depth to bottom of usable water: 280  
Surface Pipe by Alternate: ☐ 1 ☒ 2  
Length of Surface Pipe Planned to be set: 40'  
Length of Conductor Pipe required: None  
Projected Total Depth: 1350'  
Formation at Total Depth: Altamont Limestone  
Water Source for Drilling Operations:  
☐ Well ☒ Farm Pond Other \_\_\_\_\_  
DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR ☐)

Will Cores be taken? ☐ Yes ☒ No  
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.

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

Date: May 25, 2006 Signature of Operator or Agent: [Signature] Title: Owner/Operator

For KCC Use ONLY

API # 15 - 019-26739-00-00  
Conductor pipe required NONE feet  
Minimum surface pipe required 40' feet per Alt. X(2)  
Approved by: DPW 5-26-06  
This authorization expires: 11-26-06  
(This authorization void if drilling not started within 6 months of approval date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

Remember to:

- 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;
- Obtain written approval before disposing or injecting salt water.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

☐ Well Not Drilled - Permit Expired

Signature of Operator or Agent: \_\_\_\_\_  
Date: \_\_\_\_\_

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

27  
33  
11E

## IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

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If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - 019-24739-00-00  
 Operator: R. D. Energy, Inc.  
 Lease: Mordy  
 Well Number: 7  
 Field: Peru - Sedan Oil & Gas  
 Number of Acres attributable to well: 5  
 QTR / QTR / QTR of acreage: NW - NE - SW

Location of Well: County: Chautauqua  
1990 feet from ☐ N / ☒ S Line of Section  
3480 feet from ☒ E / ☐ W Line of Section  
 Sec. 27 Twp. 33 S. R. 11 ☒ East ☐ West

Is Section: ☒ Regular or ☐ Irregular

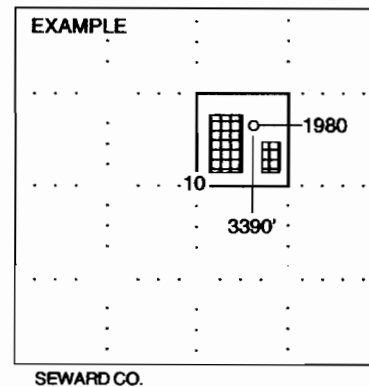
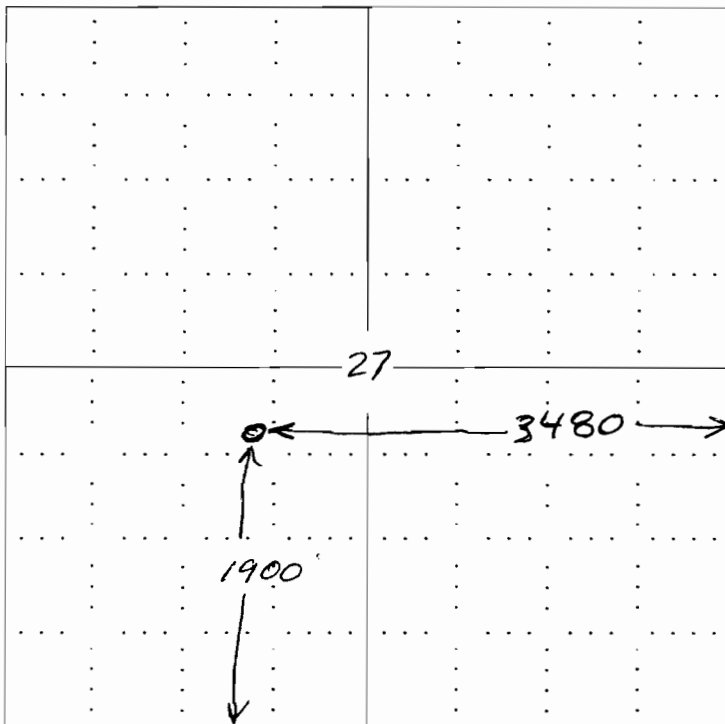
If Section is irregular, locate well from nearest corner boundary.

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

## PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



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

## 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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

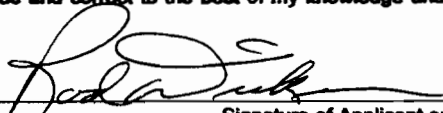
**RECEIVED**

**MAY 26 2006**

Form CDP-1  
April 2004  
Form must be Typed

**KCC WICHITA**

*Submit in Duplicate*

Operator Name: <b>R. D. Energy, Inc.</b>		License Number: <b>33157</b>
Operator Address: <b>905 North Montgomery Sedan, Kansas 67361</b>		
Contact Person: <b>Rod Dickens</b>		Phone Number: <b>( 620 ) 331 - 9340</b>
Lease Name & Well No.: <b>Mordy #7</b>		Pit Location (QQQQ): <b>SE NW NE SW</b> Sec. <b>27</b> Twp. <b>33</b> R. <b>11</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>1990</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>3480</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Chautauqua</b> County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? <b>Native Clays</b>
Pit dimensions (all but working pits): <b>50</b> Length (feet) <b>10</b> Width (feet) <b>N/A</b> Steel Pits Depth from ground level to deepest point: <b>6</b> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit <b>3500</b> feet Depth of water well <b>120</b> feet	Depth to shallowest fresh water <b>50</b> feet. Source of information: _____ measured _____ well owner <input checked="" type="checkbox"/> electric log _____ KDMR	
<b>Emergency, Settling and Burn Pits ONLY:</b> Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Fresh Water</b> Number of working pits to be utilized: <b>one with divider</b> Abandonment procedure: <b>remove and dispose of fluids, cover pits, restore location</b> Drill pits must be closed within 365 days of spud date.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.  <div style="display: flex; justify-content: space-between;"> <div> <b>May 25, 2006</b> Date </div> <div>  Signature of Applicant or Agent </div> </div>		

15019267390000

KCC OFFICE USE ONLY			
Date Received: <b>5/26/06</b>	Permit Number: _____	Permit Date: <b>5/26/06</b>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Mail to: KCC - Conservation Division, 130 S. Market - Room 2878, Wichita, Kansas 67202**