

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

WELL PLUGGING APPLICATION

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

Form CP-1

March 2010

This Form must be Typed

Form must be Signed

All blanks must be Filled

OPERATOR: License #: 33642
Name: D&R Oil Inc.
Address 1: PO Box 241
Address 2: 2287 Kiowa Road
City: Galva, State: KS Zip: 67443 + 0241
Contact Person: Dennis Perera
Phone: (620) 654-3520

API No. 15 - 113-01318-00-00
If pre 1967, supply original completion date: Drilled prior to 1967, unknown date
Spot Description: NE 1/4, NE 1/4, NE 1/4
NE NE NE Sec. 35 Twp. 19 S. R. 2 ☐ East ☒ West
5142 Feet from ☒ North ☒ South Line of Section
359 Feet from ☒ East ☐ West Line of Section
Footages Calculated from Nearest Outside Section Corner: NE ☐ NW ☒ SE ☐ SW
County: McPherson
Lease Name: Somers Well #: 2

Check One: ☐ Oil Well ☒ Gas Well ☐ OG ☐ D&A ☐ Cathodic ☐ Water Supply Well ☐ Other: _____
☐ SWD Permit #: _____ ☐ ENHR Permit #: _____ ☐ Gas Storage Permit #: _____
Conductor Casing Size: 5-1/2 inch Set at: unknown Cemented with: unknown Sacks
Surface Casing Size: unknown Set at: unknown Cemented with: unknown Sacks
Production Casing Size: unknown Set at: unknown Cemented with: unknown Sacks

List (ALL) Perforations and Bridge Plug Sets:

Bottom plugged off at 2970 feet. Perforation at 600 feet

Elevation: 1546 (☒ G.L. / ☐ K.B.) T.D.: 2970 PBTD: unknown Anhydrite Depth: unknown
(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):

Well will be plugged in accordance with KSA 55-100 et,seq. and the Rules and Regulations of the Kansas Corporation Commission.

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

If ACO-1 not filed, explain why:

Current operator did not partake in the original drilling or plugging. The well history did not follow operator transfer. Original operator was George Hess.

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: Bud Davis
Address: 408 N 4th City: Canton State: KS Zip: 67428 + 0341
Phone: (620) 628-4723
Plugging Contractor License #: 30280 Name: Sunflower Well Service, Inc.
Address 1: 408 N 4th Address 2: PO Box 341
City: Canton State: KS Zip: 67428 + 0341
Phone: (620) 628-4723
Proposed Date of Plugging (if known): Contingent on Sunflower Well Service Inc. schedule.

RECEIVED

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

Date: Nov 6 2011 Authorized Operator / Agent: Dennis Perera
(Signature)

NOV 09 2011

KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

Form KSONA-1
July 2010
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 # 33642
Name: D&R Oil Inc.
Address 1: PO Box 241
Address 2: 2287 Kiowa Road
City: Galva State: KS Zip: 67443 + 0241
Contact Person: Dennis Perera
Phone: (620) 654-3520 Fax: (620) 654-3520
Email Address: perdenem@hometelco.net

Well Location:
NE NE NE Sec. 35 Twp. 19 S. R. 2 ☐ East ☒ West
County: McPherson
Lease Name: Somers Well #: 2

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

Surface Owner Information:

Name: Dennis Perera
Address 1: PO Box 241
Address 2: 2287 Kiowa Road
City: Galva State: KS Zip: 67443 + 0241

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: November 6, 2011 Signature of Operator or Agent: Dennis Perera Title: President, D&R Oil Inc

RECEIVED

NOV 09 2011



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

Corporation Commission

Sam Brownback, Governor

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

•D & R OIL, INC.
2287 KIOWA RD
PO BOX 241
GALVA, KS 67443-8875

November 14, 2011

Re: SOMERS #2
API 15-113-01318-00-00
35-19S-2W, 5142 FSL 359 FEL
MCPHERSON COUNTY, KANSAS

Dear Operator:

The purpose of this letter is twofold. First, 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.**

This letter is also to notify you that during the central office's review of your CP-1 for license number verification, staff has discovered that you are not the current operator of record of the above well on file with the Conservation Division. **Central office staff is therefore requesting that you verify that you are the operator of record of the above well. The proper procedure for verifying operator authority is by filing a Conservation Division form T-1 (Request for Change of Operator; Transfer of Injection or Surface Pit Permit).** If a T-1 has already been filed with the Conservation Division reflecting the transfer of operator authority, please disregard this paragraph. If a T-1 has not been filed reflecting the transfer, please see the attached letter, which explains the T-1 filing process.

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. Furthermore, 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 May 12, 2012. 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: #2
3450 N. Rock Road, Suite 601
Wichita, KS 67226
(316) 630-4000

Sam Brownback, Governor, Mark Sievers, Chairman, Ward Loyd, Commissioner, Thomas E. Wright, Commissioner

November 14, 2011

Dennis Perera
D & R Oil, Inc.
2287 KIOWA RD
PO BOX 241
GALVA, KS 67443-8875

RE: Transfer of Operations at the SOMERS lease, located in Section 35, Township 19S, Range 2W, MCPHERSON County, Kansas

Dear Dennis Perera:

On June 30, 2010, a lease inspection was conducted, which indicated to Staff that you are the current operator of the SOMERS lease. However, Conservation Division records indicate that a Request for Change of Operator; Transfer of Injection or Surface Pit Permit (Conservation Division Form "T-1") transferring to you operator responsibility for the SOMERS lease has not been filed.

Conservation Division Staff understands that the burden of transferring operator responsibility first falls upon the transferring operator. However, in instances in which the transferring operator is no longer a licensed operator, or Staff is unable to determine the last operator of the subject lease, the burden of verifying operator responsibility falls upon the current operator of such lease. Staff is therefore requesting that you verify whether or not you are the current operator of the SOMERS lease.

The proper way to notify the Conservation Division that you are the current operator of the SOMERS lease is to file a Request for Change of Operator; Transfer of Injection or Surface Pit Permit (Conservation Division Form "T-1"). Staff will provide you with 28 days from this letter's date to provide a T-1 for the SOMERS lease. As such, you have until December 12, 2011, to file a T-1 for the SOMERS lease. A blank T-1 is enclosed with this letter. The T-1 is also available on the Conservation Division's website, at <http://kcc.ks.gov/conservation/forms/index.htm>, or upon request in the Conservation Division's central office in Wichita or any of the Conservation Division's district offices. If the past operator of the subject lease is unknown, or the past operator no longer has an active license, Staff is willing to accept other documentation in lieu of the past operator's signature on the T-1 form. Staff needs the T-1 signed by or on behalf of D & R Oil, Inc., as well as a copy of the bill or contract of sale under which you purchased the SOMERS lease, a copy of the agreement under which you are operating the lease, a copy of the assignment of the lease to you, or a copy of the new lease under which you are operating.

If you do not believe you are the operator of the SOMERS lease, you need to contact Jonelle Rains, the Conservation Division's Supervisor of Environmental Protection and Remediation, immediately to address the situation. Jonelle Rains may be reached at the Conservation Division's central office in Wichita, at the contact information listed below.

If by December 12, 2011, Commission Staff has not received the required information, or you have not contacted Jonelle Rains and resolved this situation, Staff may refer this matter to Conservation Division legal staff with a recommendation for an administrative penalty or penalties. Under K.A.R. 82-3-128, the failure to verify information requested by the Commission is punishable by a \$100 penalty. In addition, Staff may ask the Commission to shut in your current operations until compliance is achieved.

Please contact the Conservation Division immediately, or provide the requested information within 28 days of this letter's date, to remedy the above possible violation(s) and avoid further compliance action by the Commission. Please include a copy of this letter with the completed T-1 form upon filing with the Conservation Division.

Yours truly,
KCC Conservation Division Staff

cc: KCC Conservation Division

CONSERVATION DIVISION
Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax (316) 337-6211 • <http://kcc.ks.gov/>