

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

| | | |
|-------------------------------------|---|------------------------------|
| IN THE MATTER OF THE APPLICATION |) | |
| OF TDR CONSTRUCTION, INC. FOR WELL |) | DOCKET NO. 17-CONS-3523-CWLE |
| LOCATION EXCEPTIONS AND THE ASSIGN- |) | |
| MENT OF ATTRIBUTED ACREAGE AND |) | CONSERVATION DIVISION |
| OIL ALLOWABLES FOR ITS DUFFY 31 |) | |
| AND DUFFY 32 WELLS IN SECTION 32, |) | LICENSE NO. 32218 |
| TOWNSHIP 15 SOUTH, RANGE 21 EAST, |) | |
| FRANKLIN COUNTY, KANSAS |) | |

APPLICATION

COMES NOW TDR Construction, Inc. ("Applicant"), and pursuant to K.A.R. 82-3-108, applies to the State Corporation Commission of the State of Kansas ("Commission") for an order permitting a well location exceptions for, and assignment of acreage attribution units and appropriate oil allowables to, Applicant's Duffy 31 and Duffy 32 wells drilled in Section 32, Township 15 South, Range 21 East, Franklin County, Kansas. In support of its Application, Applicant states as follows:

1. Applicant is a Kansas corporation duly authorized to conduct business in the State of Kansas, maintaining as its principal mailing address P. O. Box 339, Louisburg, Kansas 66053. Applicant is authorized to operate oil and gas leases in this State by Operator's License No. 32218 issued by the Commission.

2. Applicant is the operator of the following-described Oil and Gas Lease:

Oil and Gas Lease dated June 21, 2007 from Lester M. Town and Roberta M. Town, husband and wife, as lessor, to TDR Construction, Inc., as lessee, covering lands in the Southwest Quarter (SW/4) of Section 32, Township 15 South, Range 21 East, Franklin County, Kansas more fully described as:

Commencing at the Southwest corner of said Southwest Quarter (SWc SW/4), thence North 88 deg. 11 min. 39 sec. East 1276.61 feet on the South line of said Southwest Quarter (SW/4) to the true point of beginning being marked with a 1/2 in. iron bar;

thence North 01 deg. 57 min. 59 sec. West 1380.00 feet to a 1/2 in. iron bar, thence North 88 deg. 11 min. 39 sec. East 679.24 feet to a 1/2 in. iron bar, thence South 01 deg. 57 min. 58 sec. East 633.60 feet to the North line of a parcel of land described in Deed Book 254, Page 700 in the Register of Deeds office of Franklin County, Kansas, thence South 88 deg. 53 min. 15 sec. West 331.99 feet to an existing 1/2 in. iron bar, thence South 01 deg. 47 min. 46 sec. East 713.10 feet to a point on the North right-of-way of I-35 Highway, thence South 83 deg. 06 min. 34 sec. West 82.53 feet on said right-of-way to a 1/2 in. iron bar, thence South 01 deg. 48 min. 21 sec. East 30.00 feet to the South line of said Southwest Quarter (SW/4), thence South 88 deg. 11 min. 39 sec. West 262.86 feet to the true point of beginning, containing 15.73 acres, more or less

together with other lands, recorded in the office of the Register of Deeds, Franklin County, Kansas in Misc. Book 236 at Page 603.

3. Applicant has drilled its Duffy 31 well upon the above-described Oil and Gas Lease at a location described as 543 feet from the South line and 3891 feet from the East line (543 ft. FSL & 3891 ft. FEL) in the Southwest Quarter of the Southeast Quarter of the Southwest Quarter (SW/4 SE/4 SW/4) of Section 32, Township 15 South, Range 21 East, Franklin County, Kansas, approximately 115 feet from the nearest lease or unit boundary. Said well was drilled to a depth of 798 feet to test the Squirrel formation at a location determined by geologic evaluation to be the most advantageous for the production of oil and/or gas from said formation, and as required to avoid surface obstructions. Said well has been completed as a well capable of producing oil in commercial quantities.

4. Applicant has further drilled its Duffy 32 well upon the above-described Oil and Gas Lease at a location described as 176 feet from the South line and 3893 feet from the East line (176 ft. FSL & 3893 ft. FEL) in the Southwest Quarter of the Southeast Quarter of the Southwest Quarter (SW/4 SE/4 SW/4) of Section 32, Township 15 South, Range 21 East, Franklin County, Kansas, approximately 111 feet from the nearest lease or unit boundary. Said well was drilled to a depth of

838 feet to test the Squirrel formation at a location determined by geologic evaluation to be the most advantageous for the production of oil and/or gas from said formation, and as required to avoid surface obstructions. Said well has been completed as a well capable of producing oil in commercial quantities.

5. Applicant requests that exceptions to the well location requirements of K.A.R. 82-3-108(a) be granted for its Duffy 31 and Duffy 32 producing wells; that the standard drilling and acreage attribution unit surrounding each well as herein described be defined under K.A.R. 82-3-207(a) and (b) as 2.5 acres for oil; and that said wells be assigned their full daily oil allowable under K.A.R. 82-3-203(a).

6. Grant of the well location exceptions, assignment of attributed acreage, and assignment of full oil allowables for Applicant's Duffy 31 and Duffy 32 wells as requested herein will maximize production of oil and/or gas from the producing formation without waste, and will not violate the correlative rights of other operators and mineral or royalty owners.

7. Appended to this Application as Exhibit A are the names and addresses of unleased mineral owners or offset operators whose property or lease boundaries are located less than the minimum distance required by K.A.R. 82-3-108(a) from the existing well locations. Attached as Exhibit B are plats showing the property upon which Applicant's Duffy 31 and Duffy 32 wells are located, all other completed, partially drilled, or permitted wells on the property, and all adjacent properties and wells.

8. Notice of this Application in the form attached as Exhibit C hereto shall be published by the Applicant in accordance with K.A.R. 82-3-108(f) and K.A.R. 82-3-135a(b). Copies of this Application, together with said notice, have been mailed to the persons identified on Exhibit B.

WHEREFORE, Applicant requests that this Application be set for hearing or granted administratively if no protests be timely filed; that the Commission enter its order approving the well location exception requested for Applicant's well, and assignment of the oil allowables requested hereby; and that the Commission grant the Applicant such other and further relief as it may deem just and proper.

Respectfully submitted,



Thomas M. Rhoads (SC 10005)
Law Offices of Thomas M. Rhoads LC
200 E. 1st Street, Suite 301
Wichita, Kansas 67202-2114
Telephone: (316) 260-4440
Facsimile: (316) 260-4419
Email: tmrhoads@sbcglobal.net

Attorney for Applicant,
TDR Construction, Inc.

VERIFICATION

STATE OF KANSAS)
) SS:
COUNTY OF SEDGWICK)

Thomas M. Rhoads, of lawful age and being first duly sworn upon his oath, deposes and states: That he is the Attorney for the Applicant in the above-captioned action; that he has read the above and foregoing Application, knows and understands the contents thereof, and states that the statements and allegations therein contained are true and correct according to his knowledge, information, and belief.




Thomas M. Rhoads

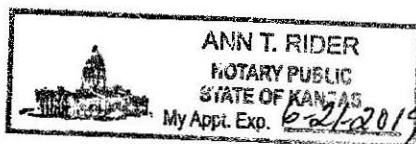
SUBSCRIBED AND SWORN TO before me, the undersigned authority, this 29 day of
March, 2017.

My commission expires:

June 21, 2019



Notary Public



Application of TDR Construction, Inc. for
Well Location Exceptions
Duffy 31 and 32 Wells, Section 32-T15S-R21E
Franklin County, Kansas

EXHIBIT A

Unleased mineral owners or offset operators whose property or lease boundaries are situated less than the minimum distance required by K.A.R. 82-3-108(a) from the subject well location.

Two Brothers, LLC
5128 W. 164th Street
Overland Park, Kansas 66085-8110

Commencing at the Southwest corner of the Southwest Quarter (SWc SW/4) of Section 32, Township 15 South, Range 21 East, Franklin County, Kansas, thence North 88 deg. 11 min. 39 sec. East 990.61 feet on the South line of said Southwest Quarter (SW/4) to the West line of the East 100 acres as surveyed by Tim Reeves and marked with a 1/2 in. iron bar, being the true point of beginning; thence North 01 deg. 57 min. 59 sec. West 1523.10 feet along said West line of the East 100 acres line to a 1/2 in. iron bar, thence North 88 deg. 11 min. 39 sec. East 286.00 feet to a 1/2 in. iron bar, thence South 01 deg. 57 min. 59 sec. East 1523.10 feet to the South line of said Southwest Quarter (SW/4) being marked with a 1/2 in. iron bar, thence South 88 deg. 11 min. 39 sec. West 286.00 feet to the true point of beginning, containing 10.00 acres, more or less.

See plats attached as Exhibit B

Application of TDR Construction, Inc. for
Well Location Exceptions
Duffy 31 and 32 Wells, Section 32-T15S-R21E
Franklin County, Kansas

EXHIBIT B

AS-BUILT SURVEY

TWO BROS, L.L.C.
Warranty Deed
Book 297, Page 33

TOWN PROPERTY
Warranty Deed
Book 277, Page 360

* Note: All bearings shown
hereon are referenced to the
Kansas State Plane Coordinate
Grid System North Zone.

186' +/- WELL HEAD 3

115' +/- WELL HEAD 2

111' +/- WELL HEAD 1



LEGEND

- ⊙ Found Bar & Cap
- ⊙ Found Bar & Cap
- ▲ Section Corner
- Tone in Roadway

COPYRIGHT

All Drawings and information are copyrighted by ANSON & ASSOCIATES. Said Drawings and information are reserved for the exclusive use by the Client. No alterations, editing or reproductions, or any other use of said Drawings or information shall be permitted without the express consent of the Surveyor. ANSON & ASSOCIATES shall be held harmless from any liability which may occur as a result of the unauthorized use of said Drawings or information. No warranties are implied or given other than those certifications which may be on said Drawings.

FOR: LANCE TOWN

DATE OF SURVEY: 02/16/2017

ADDRESS: 4384 Shawnee Terrace - Wellsville, Kansas

JOB NO: 2017-008

ANSON & ASSOCIATES

Professional Land Surveyors Licensed in Kansas and Missouri
18408 South Hickory Street - Gardner, Kansas 66030
(913) 856-6200 (Office) (913) 856-6200 (Fax)

SURVEYORS CERTIFICATION

I hereby certify that the information shown hereon is based on an actual survey made by me or under my supervision. This drawing is for As-Built construction record purposes only, and only represents our measurements of the features shown hereon at the time of the field surveys. This survey is not to be construed as a boundary survey. No warranties are implied by this surveyor, nor any liability assumed to past, present, or future owners or occupants of this property.

Bradley N. Anson, KS. L.S. 808 - MO. L.S. 2230

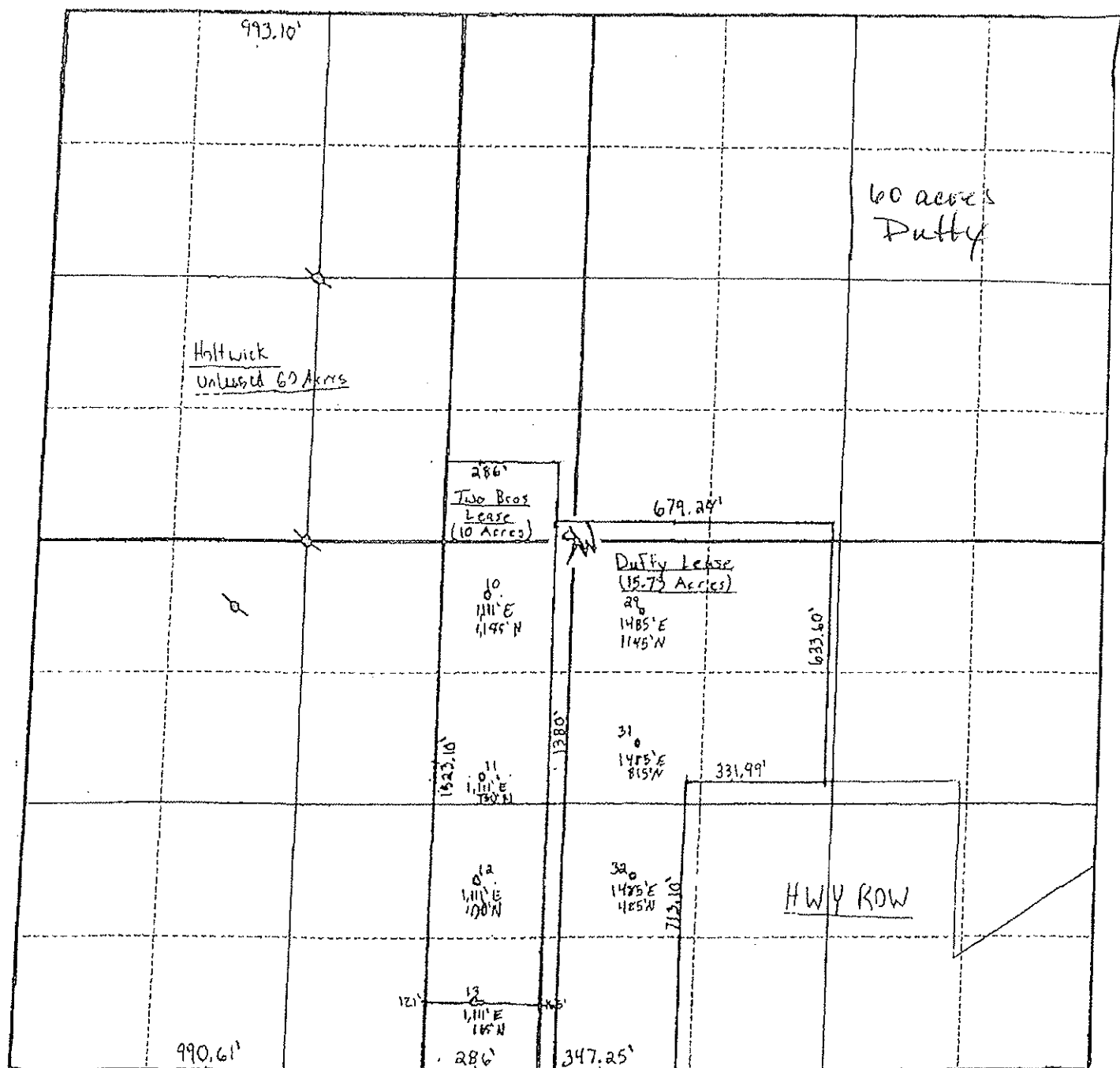
Date

3/1/17



SW 1/4 Section 32

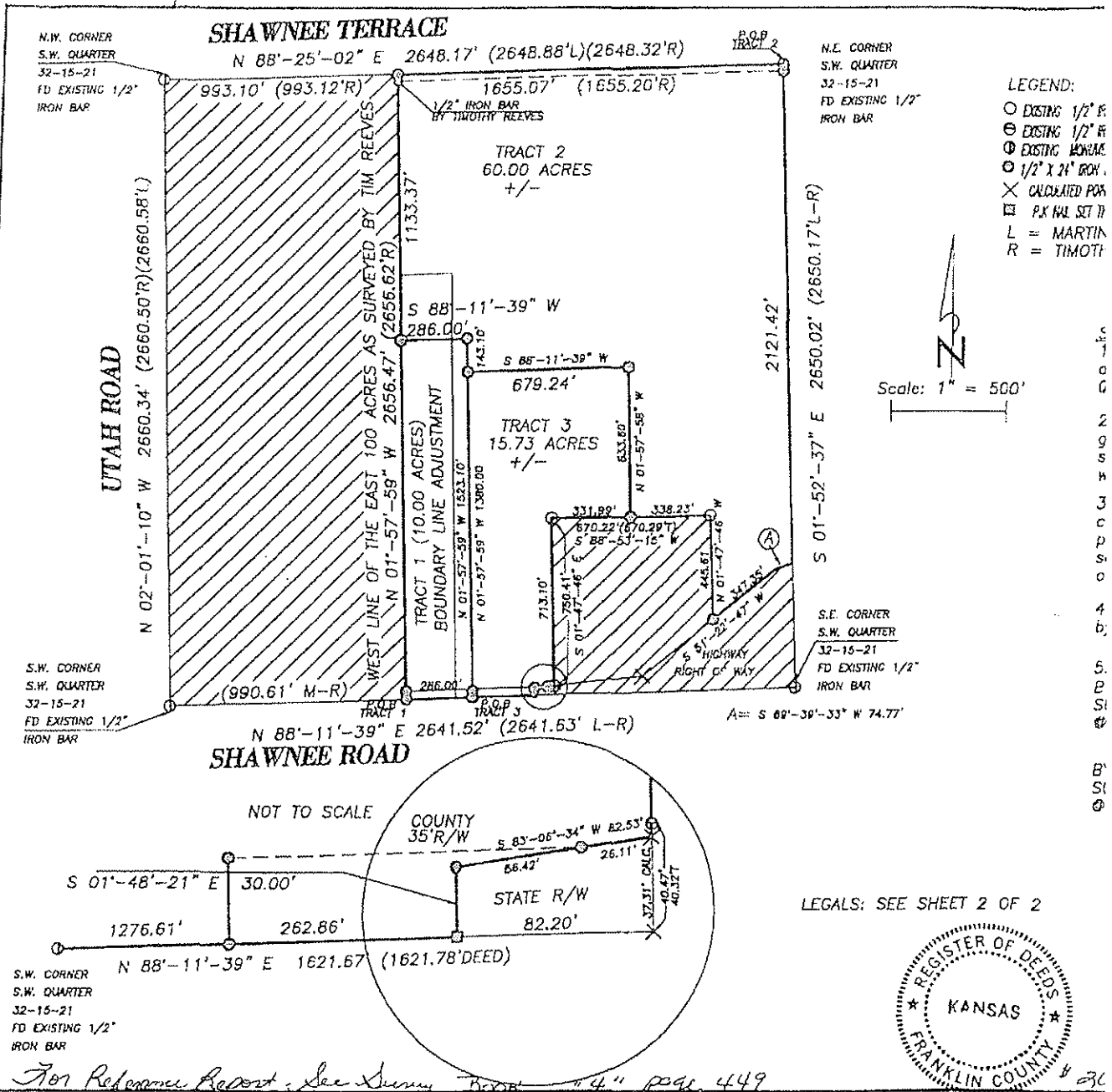
Township 15 S Range 21 E County Franklin State Kansas



FORM 45-B

— All wells depicted at permitted locations —

EXHIBIT B



CATES SURVEYING
 Bryon K. Cates
 Professional Surveying Services
 790 Pawnee Rd. Pomona, KS 66076
 Phone 785-566-3391 Fax 785-566-3391

I Bryon K. Cates, A Professional Land Surveyor in the State of Kansas do hereby certify that this Plat represents the true and accurate results of a survey conducted on the ground under my direct supervision on JANUARY 30, 2007

SURVEY PERK

TRACT 1

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 15 SOUTH RANGE 21 EAST OF THE SIXTH P.M., THENCE NORTH 88 DEGREES 11 MINUTES 39 SECONDS EAST 990.61 FEET ON THE SOUTH LINE OF SAID SOUTHWEST QUARTER TO THE WEST LINE OF THE EAST 100 ACRES AS SURVEYED BY TIM REEVES AND MARKED WITH A 1/2" IRON BAR, BEING THE TRUE POINT OF BEGINNING, THENCE NORTH 01 DEGREES 57 MINUTES 59 SECONDS WEST 1523.10 ALONG SAID WEST LINE OF THE EAST 100 ACRE LINE TO A 1/2" IRON BAR; THENCE NORTH 88 DEGREES 11 MINUTES 39 SECONDS EAST 286.00 FEET TO A 1/2" IRON BAR; THENCE SOUTH 01 DEGREES 57 MINUTES 59 SECONDS EAST 1523.10 FEET TO THE SOUTH LINE OF SAID SOUTHWEST QUARTER BEING MARKED WITH A 1/2" IRON BAR; THENCE SOUTH 88 DEGREES 11 MINUTES 39 SECONDS WEST 286.00 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 10.00 ACRES MORE OR LESS ALL IN FRANKLIN COUNTY, KANSAS.

TRACT 2

A TRACT OF LAND IN THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 15 SOUTH, RANGE 21 EAST OF THE SIXTH, P.M., BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 32, THENCE SOUTH 01 DEGREES 52 MINUTES 37 SECONDS EAST 2121.42 FEET ON THE EAST LINE OF SAID SOUTHWEST QUARTER TO THE NORTH LINE OF I-35 HIGHWAY AS DESCRIBED IN BOOK 261 PAGE 395 SAID POINT BEING MARKED WITH AN IRON BAR AND KDOT ALUMINUM CAP; THENCE SOUTH 69 DEGREES 39 MINUTES 33 SECONDS WEST 74.77 FEET ON SAID RIGHT OF WAY TO AN EXISTING IRON BAR WITH A KDOT ALUMINUM CAP; THENCE SOUTH 51 DEGREES 22 MINUTES 47 SECONDS WEST 347.35 FEET (341.40' DEED) ON SAID RIGHT OF WAY TO A 1/2" IRON BAR ON THE EAST LINE OF A PARCEL OF LAND RECORDED IN BOOK 254 PAGE 700 IN THE REGISTER OF DEEDS OFFICE FRANKLIN COUNTY, KANSAS; THENCE NORTH 01 DEGREES 47 MINUTES 46 SECONDS WEST 445.61 FEET TO AN EXISTING IRON BAR; THENCE SOUTH 88 DEGREES 53 MINUTES 15 SECONDS WEST 328.23 FEET BEING A PART OF THE NORTH LINE OF SAID PARCEL OF LAND MARKED WITH A 1/2" IRON BAR; THENCE NORTH 01 DEGREES 57 MINUTES 58 SECONDS WEST 633.60 TO A 1/2" IRON BAR; THENCE SOUTH 88 DEGREES 11 MINUTES 39 SECONDS WEST 679.24 FEET TO A 1/2" IRON BAR; THENCE NORTH 01 DEGREES 57 MINUTES 59 SECONDS WEST 143.10 FEET TO A 1/2" IRON BAR; THENCE SOUTH 88 DEGREES 11 MINUTES 39 SECONDS WEST 286.00 FEET TO A 1/2" IRON BAR ON THE WEST LINE OF THE EAST 100 ACRES IN THE SOUTHWEST QUARTER AS SURVEYED BY TIMOTHY REEVES PLS # 1133 (SURVEY # 1996 ON FILE AT THE FRANKLIN COUNTY, PUBLIC WORKS OFFICE. THENCE NORTH 01 DEGREES 57 MINUTES 59 SECONDS WEST 1133.37 FEET ON SAID WEST LINE TO THE NORTH LINE OF THE SOUTHWEST QUARTER BEING MARKED WITH A 1/2" IRON BAR; THENCE NORTH 88 DEGREES 25 MINUTES 02 SECONDS EAST 1655.07 FEET TO THE POINT OF BEGINNING, CONTAINING 60.00 ACRES MORE OR LESS, ALL IN FRANKLIN COUNTY, KANSAS.

TRACT 3

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 15 SOUTH RANGE 21 EAST OF THE SIXTH P.M., THENCE NORTH 88 DEGREES 11 MINUTES 39 SECONDS EAST 990.61 FEET ON THE SOUTH LINE OF SAID SOUTHWEST QUARTER TO THE WEST LINE OF THE EAST 100 ACRES AS SURVEYED BY TIM REEVES AND MARKED WITH A 1/2" IRON BAR, BEING THE TRUE POINT OF BEGINNING, THENCE NORTH 01 DEGREES 57 MINUTES 59 SECONDS WEST 1523.10 ALONG SAID WEST LINE OF THE EAST 100 ACRE LINE TO A 1/2" IRON BAR; THENCE NORTH 88 DEGREES 11 MINUTES 39 SECONDS EAST 286.00 FEET TO A 1/2" IRON BAR; THENCE SOUTH 01 DEGREES 57 MINUTES 59 SECONDS EAST 1523.10 FEET TO THE SOUTH LINE OF SAID SOUTHWEST QUARTER BEING MARKED WITH A 1/2" IRON BAR; THENCE SOUTH 88 DEGREES 11 MINUTES 39 SECONDS WEST 286.00 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 15.73 ACRES MORE OR LESS ALL IN FRANKLIN COUNTY, KANSAS.

CATES SURVEYING

Bryan K. Cates

Professional Surveying Services

790 Pawnee Rd. Pomona, KS 66076

Phone 785-566-3391 Fax 785-566-3391

I Bryan K. Cates, A Professional Land Surveyor in the State of Kansas do hereby certify that this Plat represents the true and accurate results of a survey conducted on the ground under my direct supervision on JANUARY 30, 2007

SURVEY PERFORMED BY: Bryan K. Cates

PAGE 2 OF 2

EXHIBIT C

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

| | | |
|-------------------------------------|---|------------------------------|
| IN THE MATTER OF THE APPLICATION |) | |
| OF TDR CONSTRUCTION, INC. FOR WELL |) | DOCKET NO. 17-CONS-3523-CWLE |
| LOCATION EXCEPTIONS AND THE ASSIGN- |) | |
| MENT OF ATTRIBUTED ACREAGE AND |) | CONSERVATION DIVISION |
| OIL ALLOWABLES FOR ITS DUFFY 31 |) | |
| AND DUFFY 32 WELLS IN SECTION 32, |) | LICENSE NO. 32218 |
| TOWNSHIP 15 SOUTH, RANGE 21 EAST, |) | |
| FRANKLIN COUNTY, KANSAS |) | |

NOTICE OF APPLICATION

TO: All Oil and Gas Producers, Purchasers, Royalty Owners, Landowners, and all other persons whomsoever concerned.

You, and each of you, are hereby notified that TDR Construction, Inc. has filed with the State Corporation Commission of the State of Kansas an Application requesting well location exceptions pursuant to K.A.R. 82-3-108 for its Duffy 31 well drilled 543 feet from the South line and 3891 feet from the East line (543 ft. FSL & 3891 ft. FEL), and its Duffy 32 well drilled 176 feet from the South line and 3893 feet from the East line (176 ft. FSL & 3893 ft. FEL), in the Southwest Quarter of the Southeast Quarter of the Southwest Quarter (SW/4 SE/4 SW/4) of Section 32, Township 15 South, Range 21 East, Franklin County, Kansas. Said Application further requests that the surrounding acreage to be attributed to each well be 2.5 acres for oil, and that said wells be assigned their full daily oil allowables under K.A.R. 82-3-203.

You are further notified that, unless written protest of this Application is received by the State Corporation Commission, Conservation Division, at 266 N. Main Street, Suite 220, Wichita, Kansas 67202-1513 within fifteen (15) days after publication or other service of this notice, said Application may be granted without a hearing. If written protest is timely received, you are notified that said Application, and any protests thereof, will be heard before the State Corporation Commission at the Commission's Hearing Room, Kansas Corporation Commission, 226 N. Main Street, Suite 220, Wichita, Kansas on May 18, 2017 at 10:00 a.m., or as soon thereafter as said Application may be heard.

All persons interested or otherwise concerned shall take notice of the foregoing and govern themselves accordingly.

Thomas M. Rhoads
Law Offices of Thomas M. Rhoads LC
200 E. 1st Street, Suite 301
Wichita, Kansas 67202-2114
Telephone: (316) 260-4440
Facsimile: (316) 260-4419

Attorney for Applicant,
TDR Construction, Inc.