

STATE OF MISSOURI
GEOLOGICAL SURVEY PROGRAM

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

RECEIVED

FORM OGC-3

FEB 22 2012

Mo Oil & Gas Council

APPLICATION TO DRILL DEEPEN PLUG BACK FOR AN OIL WELL OR GAS WELL

NAME OF COMPANY OR OPERATOR: Kansas Resource Exploration and Development, LLC DATE: 02/18/2012

ADDRESS: 9393 West 110th St., Suite 500 CITY: Overland Park STATE: KS ZIP CODE: 66210

DESCRIPTION OF WELL AND LEASE

NAME OF LEASE: Belton Unit WELL NUMBER: AD 27 ELEVATION (GROUND): 1083'

WELL LOCATION (GIVE FOOTAGE FROM SECTION LINES):
 1985 ft. from North South section line 1476 ft. from East West section line

WELL LOCATION: Sec. 9 Township 46 North Range 33 East West LATITUDE 20.5 LONGITUDE 18 COUNTY: Cass

NEAREST DISTANCE FROM PROPOSED LOCATION TO PROPERTY OR LEASE LINE: 655 FEET

DISTANCE FROM PROPOSED LOCATION TO NEAREST DRILLING, COMPLETED OR APPLIED - FOR WELL ON THE SAME LEASE: 302 FEET

PROPOSED DEPTH: 700' DRILLING CONTRACTOR, NAME AND ADDRESS: Utah Oil, LLC ROTARY OR CABLE TOOLS: Rotary APPROX. DATE WORK WILL START: 04/02/2012

NUMBER OF ACRES IN LEASE: 560 NUMBER OF WELLS ON LEASE INCLUDING THIS WELL, COMPLETED IN OR DRILLING TO THIS RESERVOIR: 87 NUMBER OF ABANDONED WELLS ON LEASE: 0

IF LEASE PURCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?
 NAME: DE Exploration ADDRESS: 4595 Highway K33, Wellsville, KS 66092

NO. OF WELLS PRODUCING: 50 INJECTION: 28 INACTIVE: 8 ABANDONED: 0

STATUS OF BOND: SINGLE WELL AMOUNT \$ _____ BLANKET BOND AMOUNT \$ 80,000 ON FILE ATTACHED

REMARKS: (IF THIS IS AN APPLICATION TO DEEPEN OR PLUG BACK, BRIEFLY DESCRIBE WORK TO BE DONE, GIVING PRESENT PRODUCING/INJECTION ZONE AND EXPECTED NEW INJECTION ZONE, USE BACK OF FORM IF NEEDED)

PROPOSED CASING PROGRAM				APPROVED CASING - TO BE FILLED IN BY STATE GEOLOGIST			
AMOUNT	SIZE	WT/FT	CEMENT	AMOUNT	SIZE	WT/FT	CEMENT
20'	8 5/8"		6 sks	20'	8 5/8"	~15	full
700'	4 1/2"		125 sks	700'	4 1/2"	~10	Length

I, the Undersigned, state that I am the Operator of the K.R.E.D (Company), and that I am authorized by said company to make this report, and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct, and complete to the best of my knowledge.

SIGNATURE: *TRK* DATE: 02/18/2012

PERMIT NUMBER: 037-20873 DRILLER'S LOG REQUIRED E-LOGS REQUIRED IF RUN

APPROVED DATE: 3-1-12 CORE ANALYSIS REQUIRED IF RUN DRILL SYSTEM TEST INFO REQUIRED IF RUN

APPROVED BY: *Joseph A. Williams* SAMPLES REQUIRED SAMPLES NOT REQUIRED

WATER SAMPLES REQUIRED AT _____

NOTE ▶ THIS PERMIT NOT TRANSFERABLE TO ANY OTHER PERSON OR TO ANY OTHER LOCATION.

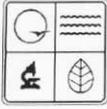
APPROVAL OF THIS PERMIT BY THE OIL AND GAS COUNCIL DOES NOT CONSTITUTE ENDORSEMENT OF THE GEOLOGIC MERITS OF THE PROPOSED WELL NOR ENDORSEMENT OF THE QUALIFICATIONS OF THE PERMITTEE

I, B. Leech of the Utah Oil (Company), confirm that an approved drilling permit has been obtained by the owner of this well. Council approval of this permit will be shown on this form by presence of a permit number and signature of authorized council representative.

DRILLER'S SIGNATURE: *B. Leech* DATE: 2/18/12

OK/12
3/1/12

Belton



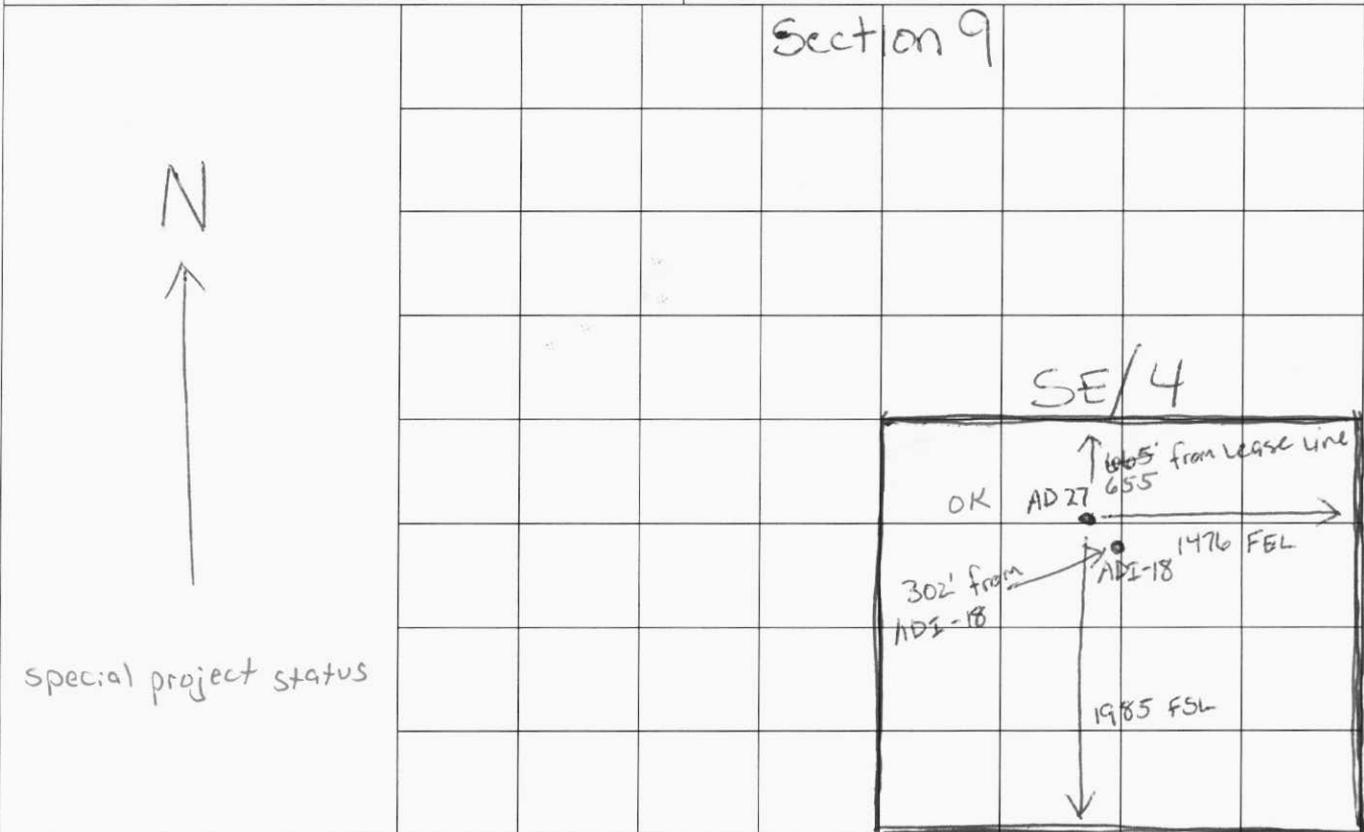
STATE OF MISSOURI
MISSOURI DEPARTMENT OF NATURAL RESOURCES
GEOLOGICAL SURVEY PROGRAM
WELL LOCATION PLAT

RECEIVED

FORM OGC-4

FEB 22 2012

OWNER'S NAME Kansas Resource Exploration & Development		Mo Oil & Gas Council	
LEASE NAME Belton Unit AD 27		COUNTY Cass	
WELL LOCATION (GIVE FOOTAGE FROM SECTION LINES) 1985 ft. from <input type="checkbox"/> North <input checked="" type="checkbox"/> South from section line 1476 ft. from <input checked="" type="checkbox"/> East <input type="checkbox"/> West from section line			
WELL LOCATION Sec. 9 Township 46 North Range 33 <input type="checkbox"/> East <input checked="" type="checkbox"/> West			
LATITUDE N38 49.343		LONGITUDE W94 34.298	



REMARKS

INSTRUCTIONS

On the above plat, show distance of the proposed well from the two nearest section lines, the nearest lease line, and from the nearest well on the same lease completed in or drilling to the same reservoir. Do not confuse survey lines with lease lines. See rule 10 CSR 50-2.030 for survey requirements. Lease lines must be marked.

This is to certify that I have executed a survey to accurately locate oil and gas wells in accordance with 10 CSR 50-2.030 and that the results are correctly shown on the above plat.

<p>REMIT TWO (2) COPIES TO: GEOLOGICAL SURVEY PROGRAM PO BOX 250, ROLLA, MO 65402-0250 (573) 368-2143 ONE (1) COPY WILL BE RETURNED</p>	REGISTERED LAND SURVEYOR	NUMBER



STATE OF MISSOURI
MISSOURI DEPARTMENT OF NATURAL RESOURCES
GEOLOGICAL SURVEY PROGRAM

FORM OGC-5

WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG

NEW WELL WORKOVER DEEPEN PLUG BACK INJECTION SAME RESERVOIR DIFFERENT RESERVOIR OIL GAS DRY

OWNER: Kansas Resource Exploration & Development, LLC ADDRESS: 9393 W. 110th St., Ste #500, Overland Park, KS 66210

LEASE NAME: Belton Unit WELL NUMBER: AD-27

LOCATION OF WELL: Sec. 9 Twp 46 North, Rng 33 East West OR 1085 ft. from North South 1476 ft. from East West LATITUDE: 38 49 20.5 LONGITUDE: 119 43 4.18

COUNTY: Cass PERMIT NUMBER (OGC-3 OR OGC-31): 037-20873

DATE SPUDDED: 3/30/2012 DATE TOTAL DEPTH REACHED: 4/3/2012 DATE COMPLETED READY TO PRODUCE OR INJECT: 6/16/2012 ELEVATION (DF, RKR, RT, OR Gr.) FEET: 1083' ELEVATION OF CASING HD. FLANGE FEET: 1083

TOTAL DEPTH: 760' PLUG BACK TOTAL DEPTH: 707.10

PRODUCING OR INJECTION INTERVAL(S) FOR THIS COMPLETION: 567-577, 586-614 ROTARY TOOLS USED (INTERVAL): 0 TO 760 CABLE TOOLS USED (INTERVAL): N/A

WAS THIS WELL DIRECTIONALLY DRILLED? Yes No WAS DIRECTIONAL SURVEY MADE? Yes No DRILLING FLUID USED: WAS COPY OF DIRECTIONAL SURVEY FILED? Yes No DATE FILED: N/A

TYPE OF ELECTRICAL OR OTHER LOGS RUN (JUST LOGS FILED WITH THE STATE GEOLOGIST): Gamma Ray/Neutron/CCL DATE FILED: 11/25/2013

CASING RECORD

CASING (REPORT ALL STRINGS SET IN WELL - CONDUCTOR, SURFACE, INTERMEDIATE, PRODUCING, ETC.)

PURPOSE	SIZE HOLE DRILLED	SIZE CASING SET	WEIGHT (LB. FT)	DEPTH SET	SACKS CEMENT	AMOUNT PULLED
Surface	12 1/4"	8 5/8"	20#	22.5	8	0
Longstring	6 1/2"	4 1/2"	10.5#	740.90	92	0

TUBING RECORD

LINER RECORD

SIZE	DEPTH SET	PACKER SET AT	SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN
INCH	FEET	FEET	INCH	FEET	FEET		FEET
2 3/8		N/A	N/A	N/A	N/A	N/A	N/A

PERFORATION RECORD

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

NUMBER PER FEET	SIZE AND TYPE	DEPTH INTERVAL	AMOUNT AND KIND OF MATERIAL USED	DEPTH INTERVAL
2	3 3/8" DP 23 GR.	567-577, 586-614	60 sks, 20/40 sand	567-577, 586-614

INITIAL PRODUCTION

DATE OF FIRST PRODUCTION OR INJECTION: 6/16/2012 PRODUCING METHOD (INDICATE IF FLOWING, GAS LIFT, OR PUMPING - IF PUMPING, SHOW SIZE AND TYPE OF PUMP.): Pumping

DATE OF TEST: 6/16/2012 HOURS TESTED: 24 CHOKE SIZE: N/A OIL PRODUCED DURING TEST: 1 BBLs GAS PRODUCED DURING TEST: 0 MCF WATER PRODUCED DURING TEST: 5 BBLs OIL GRAVITY: 24 API (CORR.)

TUBING PRESSURE: 0 CASING PRESSURE: 0 CALCULATED RATE OF PRODUCTION PER 24 HOURS: 1 OIL: 1 BBLs GAS: 0 MCF WATER: 5 BBLs GAS OIL RATIO: 0

DISPOSITION OF GAS (STATE WHETHER VENTED, USED FOR FUEL OR SOLD): Vented

METHOD OF DISPOSAL OF MUD PIT CONTENTS: Air dry

CERTIFICATE: I, the Undersigned, state that I am the Chief Operating Officer of KRED LLC (Company), and that I am authorized by said company to make this report, and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

DATE: 11/25/2013 SIGNATURE: [Signature]

INSTRUCTIONS: Attach drillers log or other acceptable log of well.

* Show all important zones of porosity, detail of all cores, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

DETAIL OF FORMATIONS PENETRATED

FORMATION	TOP	BOTTOM	DESCRIPTION (SEE * ABOVE)
See Attached Logs			

Belton Unit AD-27

<u>Thickness of Strata</u>	<u>Formation</u>	<u>Total</u>
8	soil & clay	8
38	lime	46
29	shale	75
11	lime	86
19	shale	105
4	lime	109
33	shale	142
7	lime	149
23	shale	172
30	lime	202
8	shale	210
18	lime	228
5	shale	233
13	lime	246 Pawnee lime
201	shale	447 Carlette shale Summit coal
7	lime	454 Blackjack creek lime
5	grey sand	459
3	broken sand	462
12	shale	474 Mulkey Coal 470-471
22	lime	496
46	shale	542
25	grey sand	567 Top squirrel sand
1	broken sand	568
3	oil sand	571
5	broken sand	576
1	silty shale	577
4	shale	581
5	broken sand	586
6	oil sand	592
2	shale	594
1	silty shale	595
6	oil sand	601
1	broken sand	602
12	oil sand	614
2	broken sand	616
7	black sand	623
2	shale, lime, sand	625
5	broken sand	630 Bottom squirrel sand
130	shale	760 TD Verdigris, Oakley

Belton Unit AD-27

Drilled a 12 1/4" hole to 22.5'

Drilled a 6 1/2" hole to 760'

Set 22.5' of 8 5/8" surface casing cemented with 8 sacks of cement.

