

STATE OF MISSOURI  
GEOLOGICAL SURVEY PROGRAM

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

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 34    ELEVATION (GROUND): 1075'

WELL LOCATION (GIVE FOOTAGE FROM SECTION LINES): 2435 ft. from  North  South section line    1076 ft. from  East  West section line

WELL LOCATION: Sec. 9 Township 46 North Range 33  East  West    LATITUDE: 24.6    LONGITUDE: 12.4    COUNTY: Cass

NEAREST DISTANCE FROM PROPOSED LOCATION TO PROPERTY OR LEASE LINE: 205 FEET

DISTANCE FROM PROPOSED LOCATION TO NEAREST DRILLING, COMPLETED OR APPLIED - FOR WELL ON THE SAME LEASE: 400 FEET

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

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: [Signature]    DATE: 02/18/2012

PERMIT NUMBER: 037-20875    APPROVED DATE: 3-1-12    APPROVED BY: [Signature]

- DRILLER'S LOG REQUIRED     E-LOGS REQUIRED IF RUN
- CORE ANALYSIS REQUIRED IF RUN     DRILL SYSTEM TEST INFO REQUIRED IF RUN
- 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

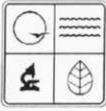
Belton

04/12  
3/1/12

# RECEIVED

FEB 22 2012

FORM OGC-4



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

## Mo Oil & Gas Council

OWNER'S NAME  
Kansas Resource Exploration & Development

LEASE NAME  
Belton Unit AD 34

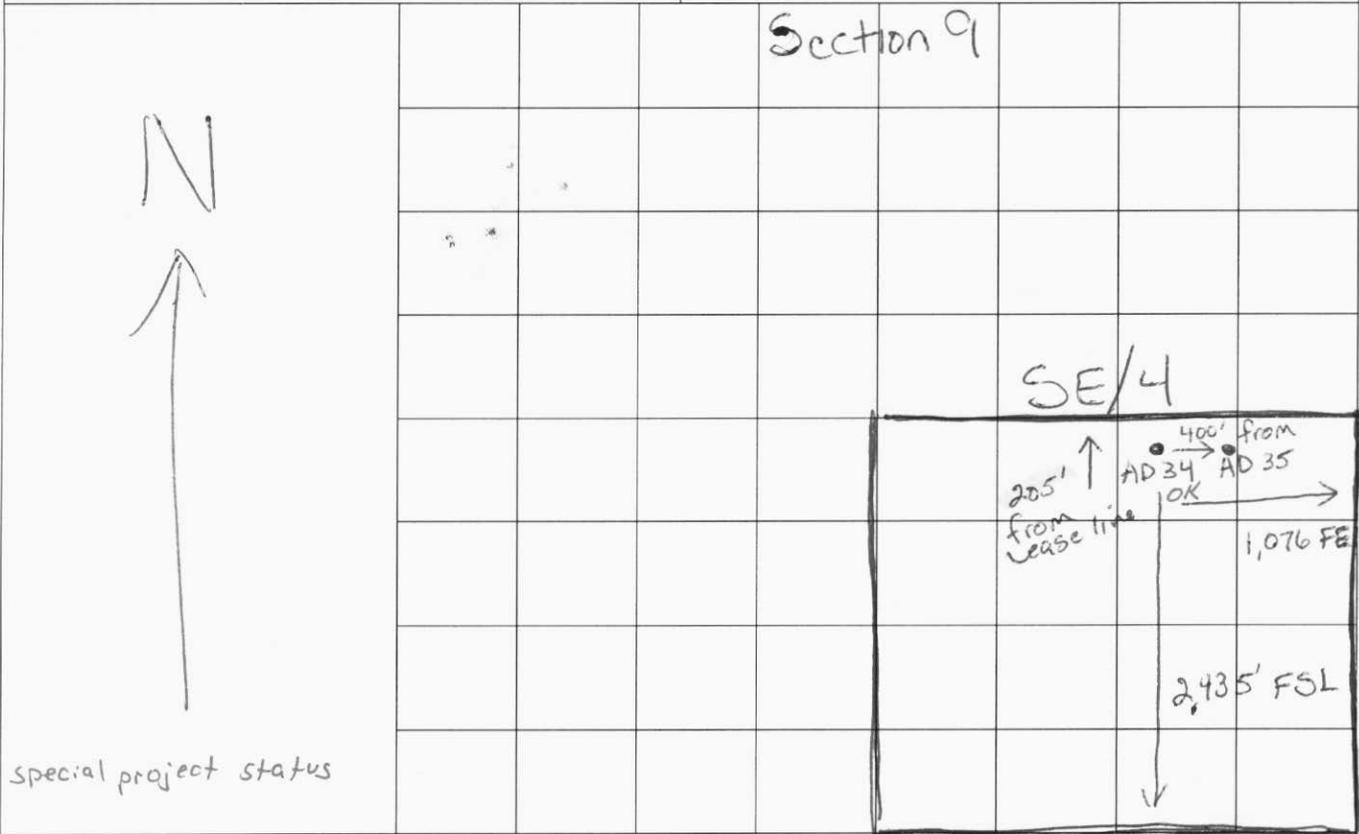
COUNTY  
Cass

WELL LOCATION (GIVE FOOTAGE FROM SECTION LINES)  
2435 ft. from  North  South from section line 1076 ft. from  East  West from section line

WELL LOCATION  
Sec. 9 Township 46 North Range 33  East  West

LATITUDE  
N38 49.411

LONGITUDE  
W94 34.207



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.

REMIT TWO (2) COPIES TO:  
GEOLOGICAL SURVEY PROGRAM  
PO BOX 250, ROLLA, MO 65402-0250 (573) 368-2143  
ONE (1) COPY WILL BE RETURNED

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-34

LOCATION OF WELL: Sec. 9 Twp 46 North, Rng 33 East West OR 2435 ft. from North South 1076 ft. from East West LATITUDE: N38 49246 LONGITUDE: W94 34 124

COUNTY: Cass PERMIT NUMBER (OGC-3 OR OGC-31): 037-20875

DATE SPUDDED: 5/4/2012 DATE TOTAL DEPTH REACHED: 5/5/2012 DATE COMPLETED READY TO PRODUCE OR INJECT: 7/9/12 ELEVATION (DF, RKR, RT, OR Gr.) FEET: 1075 ELEVATION OF CASING HD. FLANGE FEET: 1075

TOTAL DEPTH: 700 PLUG BACK TOTAL DEPTH: 686

PRODUCING OR INJECTION INTERVAL(S) FOR THIS COMPLETION: 567 - 581 ROTARY TOOLS USED (INTERVAL): 0 TO 700 CABLE TOOLS USED (INTERVAL): N/A

WAS THIS WELL DIRECTIONALLY DRILLED?  Yes  No WAS DIRECTIONAL SURVEY MADE?  Yes  No 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#	22.4'	8	0
Longstring	6 1/2"	4 1/2" 27/8"	6.5 1015#	686'	101	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	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 - 581	60 sks, 20/40 sand	567 - 581

**INITIAL PRODUCTION**

DATE OF FIRST PRODUCTION OR INJECTION		PRODUCING METHOD (INDICATE IF FLOWING, GAS LIFT, OR PUMPING - IF PUMPING, SHOW SIZE AND TYPE OF PUMP.)					
7/9/2012		Pumping					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	OIL PRODUCED DURING TEST	GAS PRODUCED DURING TEST	WATER PRODUCED DURING TEST	OIL GRAVITY	
	24	N/A	1 BBLs	0 MCF	5 BBLs	24 API (CORR.)	
TUBING PRESSURE	CASING PRESSURE	CALCULATED RATE OF PRODUCTION PER 24 HOURS		OIL	GAS	WATER	GAS OIL RATIO
0	0	1		1 BBLs	0 MCF	5 BBLs	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 the 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-34

<u>Thickness of Strata</u>	<u>Formation</u>	<u>Total</u>
9	soil & clay	9
24	lime	33
31	shale	64
10	lime	74
19	shale	93
4	lime	97
14	shale	111
9	lime	120
8	shale	128
9	lime	137
26	shale	163
31	lime	194
5	shale	199
18	lime	217
5	shale	222
2	lime	224
4	shale	228
6	lime	234 base of the Kansas City <i>Pawnee lime</i>
181	shale	415 <i>Labette shale</i>
5	lime	420 <i>Higginsville lime</i>
43	shale	463 <i>Summit coal 438-440</i>
4	lime	467 <i>Blackjack creek lime</i>
3	shale	470 <i>Mulkey Coal 467-468</i>
6	broken sand	476 slight bleeding <i>Top squimel sand</i>
4	silty shale	480
8	shale	488
1	coal	489
49	shale	538
11	grey sand	549
1	broken sand	550
3	grey sand	553
1	broken sand	554
7	grey sand	561
2	broken sand	563
4	grey sand	567
4	broken sand	571
1	lime	572
1	broken sand	573
3	oil sand	576

Belton Unit AD-34

2	silty shale	578
2	oil sand	580
2	broken sand	582
8	silty shale	590
5	shale	595
3	grey sand	598
5	broken sand	603 good bleeding
2	oil sand	605
2	broken sand	607 good bleeding
6	grey sand	613
5	shale	618 Bottom Squirrel sand
1	coal	619
81	shale	700 TD Verdigris, Oakley

Drilled a 12 1/4" hole to 22.2'

Drilled a 6 1/2" hole to 700'

Set 22.2' of 8 5/8" surface casing cemented with 8 sacks of cement.

Set 681.1' of 2 7/8" threaded and coupled 8 round upset tubing with 3 centralizers, 1 float shoe, 1 clamp

