

RECEIVED

MAY 31 2012

FORM OGC-3



STATE OF MISSOURI
GEOLOGICAL SURVEY PROGRAM
APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

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

Mo Oil & Gas Council

NAME OF COMPANY OR OPERATOR: Kansas Resource Exploration and Development, LLC DATE: 05/30/2012

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 3-2 ELEVATION (GROUND): 1083'

WELL LOCATION: 268 ft. from North South section line 1544 ft. from East West section line

WELL LOCATION: Sec. 9 Township 46 North Range 33 East West LATITUDE: 38 49' 3.7" LONGITUDE: 94 34' 19" COUNTY: Cass

NEAREST DISTANCE FROM PROPOSED LOCATION TO PROPERTY OR LEASE LINE: 1096 FEET ✓

DISTANCE FROM PROPOSED LOCATION TO NEAREST DRILLING, COMPLETED OR APPLIED - FOR WELL ON THE SAME LEASE: 49 FEET

PROPOSED DEPTH: 700' DRILLING CONTRACTOR, NAME AND ADDRESS: Utah Oil, LLC ROTARY OR CABLE TOOLS: Rotary APPROX. DATE WORK WILL START: 06/15/2012

NUMBER OF ACRES IN LEASE: 560 NUMBER OF WELLS ON LEASE INCLUDING THIS WELL, COMPLETED IN OR DRILLING TO THIS RESERVOIR: 107
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: 66
INJECTION: 33
INACTIVE: 8
ABANDONED: 0

STATUS OF BOND SINGLE WELL AMOUNT \$ _____ BLANKET BOND AMOUNT \$ 80,000 OK 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"	20	6 sks	20'	8 5/8"	20	1-cu ft
700'	4 1/2"	10	125 sks	700'	4 1/2"	10	Length

OK/ICE
6/6/12

I, the Undersigned, state that I am the C.O.O. 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: 5/30/12

PERMIT NUMBER: 037-20962 APPROVED DATE: 6-6-12

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: [Signature] DATE: 5/30/12

Belton

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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 3-2	COUNTY Cass	
WELL LOCATION (GIVE FOOTAGE FROM SECTION LINES) 268 ft. from <input type="checkbox"/> North <input checked="" type="checkbox"/> South from section line 1544 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' 3.725"	LONGITUDE W94° 34' 19.578"	
<p>special project status</p>	<p>Sec. 9</p> <p>Belton Unit</p> <p>AD 3-2</p> <p>AD-3</p> <p>1096'</p> <p>268'</p> <p>1544'</p>	
	REMARKS OK	
	Scale - 1 square = 660 feet	
	<p>INSTRUCTIONS</p> <p>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.</p>	<p>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>
	<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>	<p>REGISTERED LAND SURVEYOR</p> <p>NUMBER</p>

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STATE OF MISSOURI
MISSOURI DEPARTMENT OF NATURAL RESOURCES
GEOLOGICAL SURVEY PROGRAM
WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG

FORM OGC-5

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 3-2

LOCATION OF WELL: Sec. 9 Twp 46 North, Rng 33 East West OR 268 ft. from North South 1544 ft. from East West LATITUDE: 38 49 37.7 LONGITUDE: 94 24 19.0

COUNTY: Cass PERMIT NUMBER (OGC-3 OR OGC-31): 037-20962

DATE SPUNDED: 6/19/2012 DATE TOTAL DEPTH REACHED: 770' 6/20/2012 DATE COMPLETED READY TO PRODUCE OR INJECT: 10/2/2012 ELEVATION (DF, RKR, RT, OR Gr.): 1083' ELEVATION OF CASING HD. FLANGE: 1083' FEET

TOTAL DEPTH: 770' PLUG BACK TOTAL DEPTH: 718.60'

PRODUCING OR INJECTION INTERVAL(S) FOR THIS COMPLETION: 561'-601' 612'-632' ROTARY TOOLS USED (INTERVAL): 0 TO 770' DRILLING FLUID USED: 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#	22.3'	8	0
Longstring	6 1/2"	4 1/2"	10.5#	743.6'	98	0

TUBING RECORD

LINER RECORD

SIZE	DEPTH SET	PACKER SET AT	SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN
2 3/8 INCH	700 FEET	N/A FEET	N/A INCH	N/A FEET	N/A FEET	N/A	N/A FEET

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.	561-601, 612-632	60 sks, 20/40 sand	561-601, 612-632

INITIAL PRODUCTION

DATE OF FIRST PRODUCTION OR INJECTION: 10/2/2013 PRODUCING METHOD (INDICATE IF FLOWING, GAS LIFT, OR PUMPING - IF PUMPING, SHOW SIZE AND TYPE OF PUMP.): Pumping

DATE OF TEST: 10/2/2013 HOURS TESTED: 24 CHOKE SIZE: N/A OIL PRODUCED DURING TEST: 3 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: 3 OIL: 3 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			

Thickness of Strata

<u>Thickness of Strata</u>	<u>Formation</u>	<u>Total</u>
10	soil & clay	10
29	lime	39
30	shale	69
12	lime	81
15	shale	96
7	lime	103
40	shale	143
6	lime	149
24	shale	173
30	lime	203
8	shale	211
32	lime	243 Pawnee Limestone
165	shale	408 Laramie Shale
3	lime	411
15	shale	426 Base Laramie Shale
11	lime	437 Higginsville Limestone
10	shale	447 Summit Coal 438-440
6	lime	453 Blackjack Creek Limestone
17	shale	470
8	lime	478
20	shale	498 Mulkey Coal 478-480
5	broken sand	503 brown & grey sand, light bleeding Top Squirrel
1	shale	504
17	sand	521 grey
3.5	broken sand	524.5 brown & grey, light bleeding
0.5	lime	525
6.5	broken sand	531.5 brown & grey, light bleeding
0.5	lime	532
16	broken sand	548 brown & grey, 50% bleeding sand
3	lime	551
0.5	limey sand	551.5 brown sand, oil show
1.5	lime	553
15.5	broken sand	568.5 brown & grey, 80% bleeding sand
2.5	limey sand	571 white, no oil
1	oil sand	572 brown, good bleeding
1	limey sand	573 white, no oil
6	broken sand	579 brown & grey, 90% bleeding sand
3	oil sand	582 black, good bleeding, good sand

7	limey sand	589 white & brown, 10% bleeding
5	lime	594
17	limey sand	611 brown & white
1	broken sand	612
3	limey sand	615
8	oil sand	623
2	silty shale	625
4	broken sand	629 light bleeding
11	black sand	640 very light oil Base Squimel sandstone
2	lime, sand, shale	642 Verdigris lime
87	shale	729 Oakley shale
1	coal	730
40	shale	770 TD

Drilled a 12 1/4" hole to 23'

Drilled a 6 1/2" hole to 770'

Set 23' of 8 5/8" surface casing with 8 sacks of cement

