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OCT 10 2012

FORM OGC-3



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: 10/02/2012
ADDRESS: 9393 West 110th St., Suite 500
CITY: Overland Park
STATE: KS
ZIP CODE: 66210

DESCRIPTION OF WELL AND LEASE
NAME OF LEASE: Walton
WELL NUMBER: KR-13
ELEVATION (GROUND): 1060'

WELL LOCATION (GIVE FOOTAGE FROM SECTION LINES)
3135 ft. from North South section line
2145 ft. from East West section line

WELL LOCATION: Sec. 4 Township 46 North Range 33 East West
LATITUDE: N38 50' 24.740"
LONGITUDE: W94 34' 22.090"
COUNTY: Cass 037

NEAREST DISTANCE FROM PROPOSED LOCATION TO PROPERTY OR LEASE LINE: 495 FEET
DISTANCE FROM PROPOSED LOCATION TO NEAREST DRILLING, COMPLETED OR APPLIED - FOR WELL ON THE SAME LEASE: 66 FEET
1 - plugged well # 8 11/12/01 037-00724

PROPOSED DEPTH: 700' *360'*
DRILLING CONTRACTOR, NAME AND ADDRESS: Utah Oil, LLC
ROTARY OR CABLE TOOLS: Rotary
APPROX. DATE WORK WILL START: 10/20/2012

NUMBER OF ACRES IN LEASE: 85.58
NUMBER OF WELLS ON LEASE INCLUDING THIS WELL, COMPLETED IN OR DRILLING TO THIS RESERVOIR: 40
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: 30
INJECTION: 9
INACTIVE: 0
ABANDONED: 0

STATUS OF BOND: SINGLE WELL AMOUNT \$ _____
 BLANKET BOND AMOUNT \$ 160,000 ✓
 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" | 20 | 6 sks | 20' | 8 5/8" | 20 | Full length |
| 700' | 4 1/2" | 11.6 | 125 sks | 700' | 4 1/2" | 11.6 | |

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: BK
DATE: 10/9/12

PERMIT NUMBER: 21078
APPROVED DATE: 3-15-13
APPROVED BY: Joseph A. Millman
 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: 10/9/12

225' 1/2" N



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

FORM OGC-4

OWNER'S NAME
 Kansas Resource Exploration & Development

LEASE NAME
 Walton KR-13

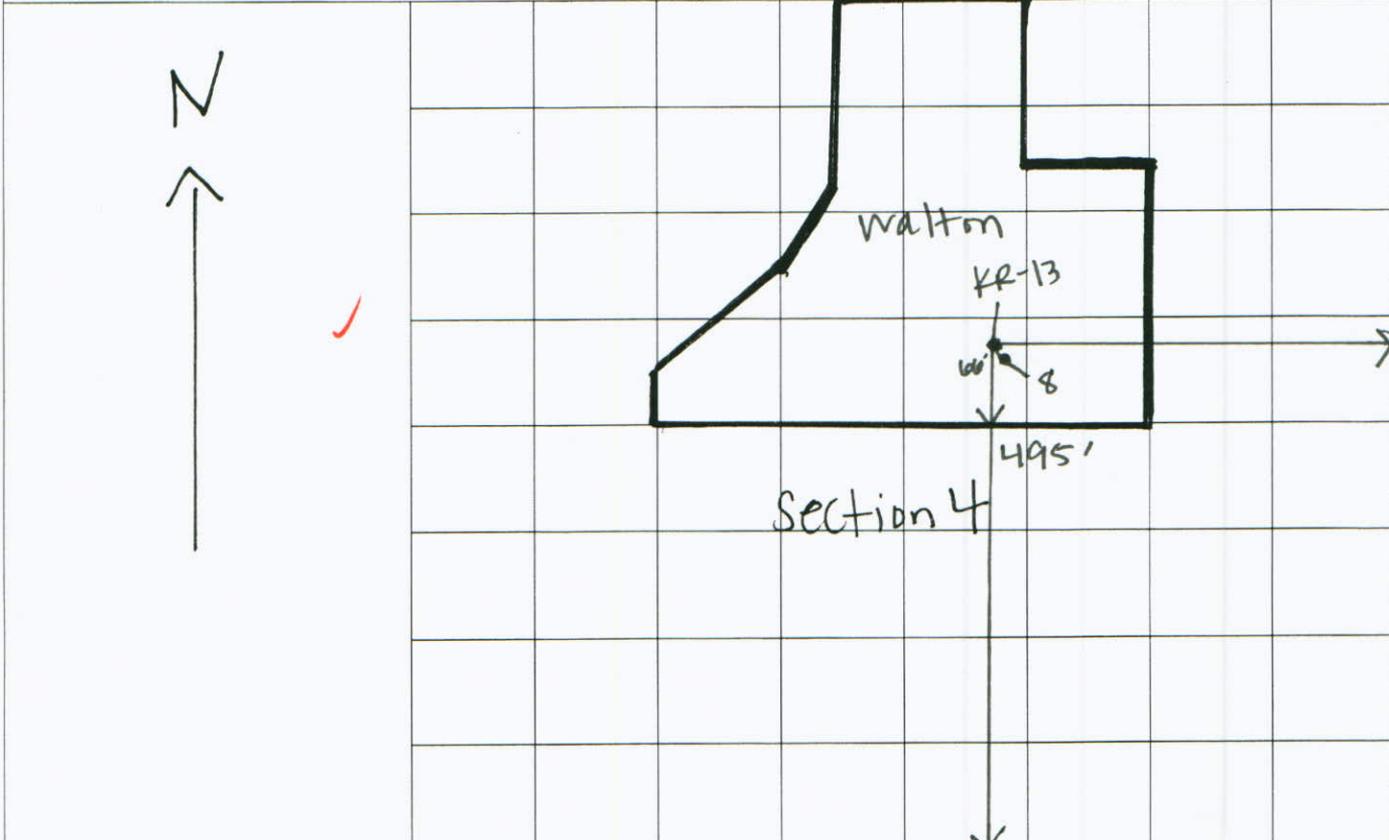
COUNTY
 Cass

WELL LOCATION (GIVE FOOTAGE FROM SECTION LINES)
 3135 ft. from North South from section line 2145 ft. from East West from section line

WELL LOCATION
 Sec. 4 Township 46 North Range 33 East West

LATITUDE
 N38° 50' 24.74" ✓

LONGITUDE
 W94° 34' 22.09" ✓



REMARKS

1 square = 660 feet ✓ *plugged 1/1/2013 037-0724*

Well #8 will be plugged before completion of KR-13.

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



Check Location

Select a coordinate format, enter a pair of coordinates in the boxes below it, and then press the SUBMIT button. Please be patient while your information is retrieved. Your coordinates will be converted to the other formats, the information on the right-hand side of the page will be filled in based on your coordinates, and a map will be generated. NOTE: All coordinates must use the North American Datum of 1983 (NAD83).

Universal Transverse Mercator [Zone 15 North]

Easting
363498.7494734331 meters

Northing
4300219.408767518 meters

Decimal Degrees

Latitude
38.84020555555556 °

Longitude
-94.57280277777777 °

Degrees, Minutes and Seconds

Latitude Degrees
38 °

Latitude Minutes
50 '

Latitude Seconds
24.74 "

Longitude Degrees
-94 °

Longitude Minutes
34 '

Longitude Seconds
22.09 "

| | |
|---|---------------------------------------|
| UTM Zone 15N [Easting, Northing] | [363498.7, 4300219.4] meters |
| Decimal Degrees [Lat, Lon] | [38.840205°, -94.572803°] |
| Deg, Min, Sec [Lat, Lon] | [38° 50' 24.7", -94° 34' 22.0"] |
| County Name | Cass |
| County FIPS Code | 037 |
| Legal Description | Section 04 T46N R33W |
| Municipality | Belton |
| House District | 123 |
| Senate District | 31 |
| Congressional District | 5 |
| MoDNR Region | Kansas City Regional Office |
| USGS 1:24,000 Quadrangle | Belton [38094-G5] |
| 8 Digit Watershed | 10300101 [Lower Missouri-Crooked] |
| 10 Digit Watershed | 1030010101 [Blue River] |
| 12 Digit Watershed | 103001010104 [Camp Branch-Blue River] |
| Special Well Drilling Area | Area 2 |
| Ecological Drainage Unit | Central Plains/Blackwater/Lamine |
| Level III Ecoregion | Central Irregular Plains |
| Query Time | 7.922 s |

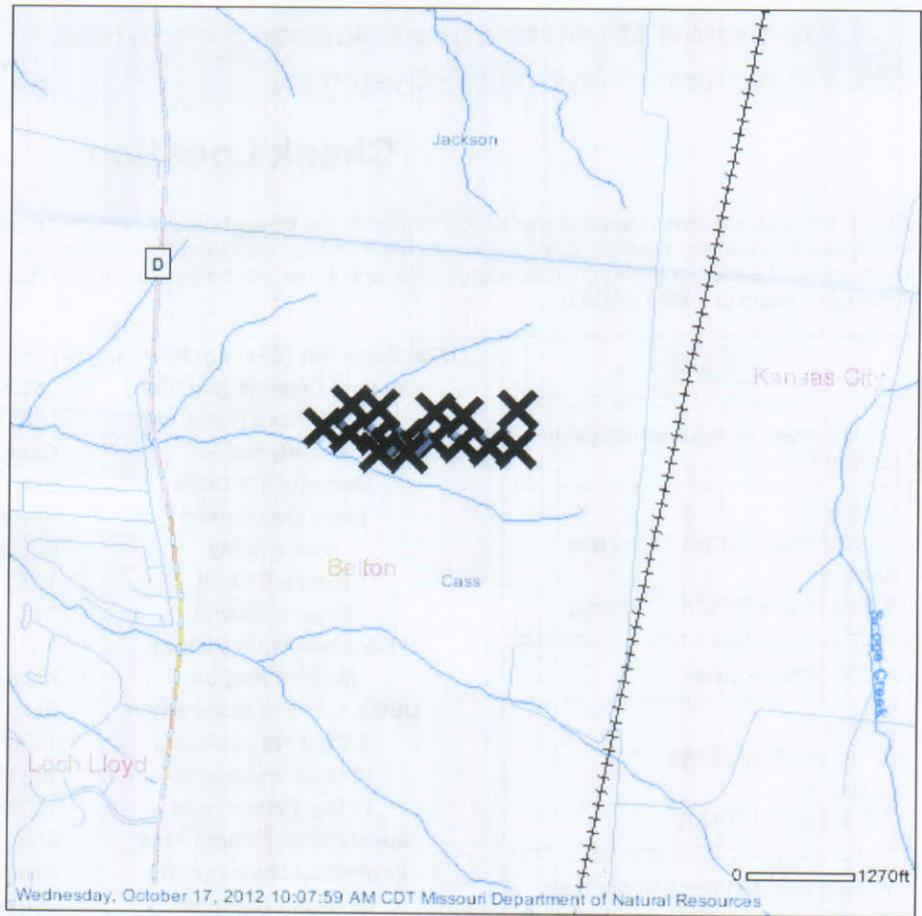
Rows with **re** text indicate that the input location is too close to a boundary to produce reliable results.

NOTE: A result of 'NO VALUE' is usually an indication that no data was found for the location. For example, not every point in Missouri will lie within a municipal boundary, so some will result in a 'NO VALUE'. If 'County Name' results in 'NO VALUE', your point probably lies outside the state.

Metadata

- [Interstate Highways](#)
- [US Highways](#)
- [State Highways](#)
- [Railroad](#)
- [Major and Minor Roads](#)
- [County Boundary](#)
- [Lakes](#)
- [Major Rivers](#)
- [Rivers and Streams](#)
- [Missouri River](#)
- [Mississippi River](#)
- [Municipal](#)

- Legend**
-  Interstate Highways
 -  US Highways
 -  State Highways
 -  Railroad
 -  Major and Minor Roads
 -  County Boundary
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View Scale 1:24,000

DISCLAIMER: Although this map has been compiled by the Missouri Department of Natural Resources, no warranty, expressed or implied, is made by the department as to the data and related materials. The act of distribution shall not constitute any such warranty, and no responsibility is assumed by the department in the use of these data or related materials.



P.O. Box 176, Jefferson City, MO 65102
 800-361-4827 / 573-751-3443
 E-mail: contact@dnr.mo.gov

Kansas Resource Exploration and Development, LLC

Walton Lease, Cass County, MO

Sec 4, Twp 46N, Rng 33W

3/8/2013

| <u>Lease Name</u> | <u>Well Number</u> | <u>Latitude</u> | <u>Longitude</u> | <u>Well Type</u> |
|-------------------|--------------------|-----------------|------------------|------------------|
| Walton | 2W | N38 50' 40.93" | W94 34' 26.84" | Injector |
| Walton | 3 | N38 50' 35.93" | W94 34' 25.89" | Producer |
| Walton | 3W | N38 50' 40.62" | W94 34' 22.84" | Injector |
| Walton | 4W | N38 50' 34.15" | W94 34' 22.22" | Injector |
| Walton | 5 | N38 50' 33.88" | W94 34' 19.77" | Producer |
| Walton | 5W | N38 50' 32.15" | W94 34' 21.23" | Producer |
| Walton | 6 | N38 50' 32.61" | W94 34' 23.49" | Producer |
| Walton | 6W | N38 50' 28.69" | W94 34' 23.98" | Plugged |
| Walton | 7 | N38 50' 33.23" | W94 34' 28.30" | Producer |
| Walton | 8 | N38 50' 24.17" | W94 34' 20.66" | Plugged |
| Walton | 8W | N38 50' 28.26" | W94 34' 14.54" | Plugged |
| Walton | 9 | N38 50' 35.66" | W94 34' 22.89" | Producer |
| Walton | 10 | N38 50' 25.14" | W94 34' 26.41" | Plugged |
| Walton | 11 | N38 50' 30.60" | W94 34' 30.95" | Plugged |
| Walton | 12 | N38 50' 24.17" | W94 34' 30.33" | Plugged |
| Walton | 13 | N38 50' 27.82" | W94 34' 26.02" | Plugged |
| Walton | 14 | N38 50' 30.04" | W94 34' 20.88" | Plugged |
| Walton | 15 | N38 50' 27.12" | W94 34' 29.56" | Plugged |
| Walton | 16 | N38 50' 30.37" | W94 34' 26.59" | Plugged |
| Walton | 17 | N38 50' 21.85" | W94 34' 28.17" | Plugged |
| Walton | 18 | N38 50' 21.78" | W94 34' 23.71" | Plugged |
| Walton | 19 | N38 50' 26.56" | W94 34' 23.12" | Plugged |
| Walton | 20 | N38 50' 22.55" | W94 34' 32.29" | Plugged |
| Walton | 21W | N38 50' 40.33" | W94 34' 18.85" | Injector |
| Walton | 22 | N38 50' 29.85" | W94 34' 15.80" | Plugged |
| Walton | 22W | N38 50' 37.36" | W94 34' 23.26" | Injector |
| Walton | 23 | N38 50' 37.50" | W94 34' 19.30" | Producer |
| Walton | 23W | N38 50' 37.48" | W94 34' 27.06" | Injector |
| Walton | 24 | N38 50' 42.42" | W94 34' 24.63" | Producer |
| Walton | 25 | N38 50' 42.57" | W94 34' 28.64" | Producer |
| Walton | 26 | N38 50' 42.19" | W94 34' 20.71" | Producer |
| Walton | 27 | N38 50' 39.31" | W94 34' 28.84" | Producer |
| Walton | 27W | N38 50' 26.22" | W94 34' 27.95" | Plugged |
| Walton | 28 | N38 50' 39.10" | W94 34' 24.95" | Producer |
| Walton | 29 | N38 50' 39.00" | W94 34' 20.91" | Producer |
| Walton | 31 | N38 50' 31.06" | W94 34' 12.68" | Producer |
| Walton | 32 | N38 50' 31.32" | W94 34' 16.67" | Producer |
| Walton | 37 | N38 50' 21.64" | W94 34' 13.40" | Plugged |
| Walton | 42W | N38 50' 28.88" | W94 34' 28.07" | Plugged |
| Walton | KR-1 | N38 50' 22.90" | W94 34' 43.06" | Approved |
| Walton | KR-2 | N38 50' 22.40" | W94 34' 38.90" | Approved |

| <u>Well Class</u> | <u># of Wels</u> |
|-------------------|------------------|
| Producers: | 15 |
| Injectors: | 6 |
| Abandoned: | 0 |
| Plugged: | 18 |
| Permitted: | 12 |
| Pending: | 23 |
| Total: | 74 |

| | | | | |
|--------|-------|----------------|----------------|----------|
| Walton | KR-3 | N38 50' 22.20" | W94 34' 34.72" | Pending |
| Walton | KR-4 | N38 50' 21.94" | W94 34' 30.56" | Pending |
| Walton | KR-5 | N38 50' 21.74" | W94 34' 26.40" | Pending |
| Walton | KR-6 | N38 50' 21.50" | W94 34' 22.22" | Approved |
| Walton | KR-7 | N38 50' 21.31" | W94 34' 18.05" | Approved |
| Walton | KR-8 | N38 50' 21.05" | W94 34' 13.89" | Approved |
| Walton | KR-9 | N38 50' 25.65" | W94 34' 38.75" | Approved |
| Walton | KR-10 | N38 50' 25.41" | W94 34' 34.57" | Pending |
| Walton | KR-11 | N38 50' 25.07" | W94 34' 29.57" | Pending |
| Walton | KR-12 | N38 50' 24.98" | W94 34' 26.24" | Pending |
| Walton | KR-13 | N38 50' 24.74" | W94 34' 22.09" | Pending |
| Walton | KR-14 | N38 50' 24.53" | W94 34' 17.87" | Approved |
| Walton | KR-15 | N38 50' 24.28" | W94 34' 13.73" | Approved |
| Walton | KR-16 | N38 50' 28.67" | W94 34' 34.31" | Approved |
| Walton | KR-17 | N38 50' 28.44" | W94 34' 30.11" | Approved |
| Walton | KR-18 | N38 50' 28.23" | W94 34' 25.97" | Pending |
| Walton | KR-19 | N38 50' 28.00" | W94 34' 21.80" | Pending |
| Walton | KR-20 | N38 50' 27.76" | W94 34' 17.63" | Approved |
| Walton | KR-21 | N38 50' 27.57" | W94 34' 13.46" | Approved |
| Walton | KR-22 | N38 50' 31.70" | W94 34' 29.89" | Pending |
| Walton | KR-23 | N38 50' 31.48" | W94 34' 25.72" | Pending |
| Walton | KR-24 | N38 50' 31.26" | W94 34' 21.54" | Pending |
| Walton | KR-25 | N38 50' 31.02" | W94 34' 17.39" | Pending |
| Walton | KR-26 | N38 50' 30.79" | W94 34' 13.21" | Pending |
| Walton | KR-27 | N38 50' 34.97" | W94 34' 29.70" | Pending |
| Walton | KR-28 | N38 50' 34.74" | W94 34' 25.55" | Pending |
| Walton | KR-29 | N38 50' 34.53" | W94 34' 21.37" | Pending |
| Walton | KR-32 | N38 50' 38.24" | W94 34' 29.50" | Pending |
| Walton | KR-33 | N38 50' 38.00" | W94 34' 25.31" | Pending |
| Walton | KR-34 | N38 50' 37.75" | W94 34' 21.13" | Pending |
| Walton | KR-35 | N38 50' 41.48" | W94 34' 29.29" | Pending |
| Walton | KR-36 | N38 50' 41.26" | W94 34' 25.13" | Pending |
| Walton | KR-37 | N38 50' 41.03" | W94 34' 20.94" | Pending |