

SEP 13 2011

Form C-1
March 2010
Form must be Typed
Form must be Signed
All blanks must be Filled

For KCC Use: 10-15-2011
Effective Date: _____
District # _____
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

LEGAL SECTION

Must be approved by KCC five (5) days prior to commencing well
Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: September 25 2011
month day year

OPERATOR License# 34191
Name: Reeder Operating, LLC
Address 1: 4925 Greenville Avenue, Suite 1400
Address 2: _____
City: Dallas State: TX Zip: 75206
Contact Person: Steve Bryson
Phone: 214-373-7793

CONTRACTOR License# 34571
Name: Atlas Drilling, LLC

Spot Description: _____
SNG 500 SE SE Sec 7 Twp. 32 S. R. 17 E W
(350) 150 feet from N / S Line of Section
350 feet from E / W Line of Section

Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Comanche
Lease Name: Brown-Todd Well # 1-7H
Field Name: None

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian

Nearest Lease or unit boundary line (in footage) 150'

Ground Surface Elevation: 2082.00 feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 206.300

Depth to bottom of usable water: 340.300

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 800'

Length of Conductor Pipe (if any): 50'

Projected Total Depth: 9840' TMD 5193' TVD

Formation at Total Depth: Mississippian

Water Source for Drilling Operations: Well Farm Pond Other

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

Well Drilled For: Oil Enh Rec Infield Mud Rotary
 Gas Storage Prod. Ext. Air Rotary
 Seismic; # of Holes Disposal Wildcat Cable
 Other: _____
 If OWWO: old well information as follows.

Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: 5193'

Bottom Hole Location: 350' FNL and 350' FEL - Sec 7-32S-17W

KCC DKT #: 12 cons - 77-chor

** Top of salt approx. 1100'. Max surface casing depth 1000'
AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 DAYS of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133-891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 8-31-2011 Signature of Operator or Agent: _____ Title: Vice President-Land

For KCC Use ONLY
API # 15 - 033-21598-01-00
Conductor pipe required: None feet
Minimum surface pipe required: 320 feet per ALT. I II
Approved by: [Signature] 10-10-2011
This authorization expires: 10-10-2012
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: _____ Agent: _____

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: _____
Signature of Operator or Agent: _____

Mail to: KCC - Conservation Division,
130 S. Market - Room 2078, Wichita, Kansas 67202

EXHIBIT
"C"

7
32
17
 E
 W

SEP 13 2011

LEGAL SECTION

Side Two

For KCC Use ONLY
API # 15 - 033-21598-01-00

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: Reeder Operating, LLC
Lease: Brown-Todd
Well Number: 1-7H
Field: None
Number of Acres attributable to well: 640
QTR/QTR/QTR/QTR of acreage: SW SE SE SE

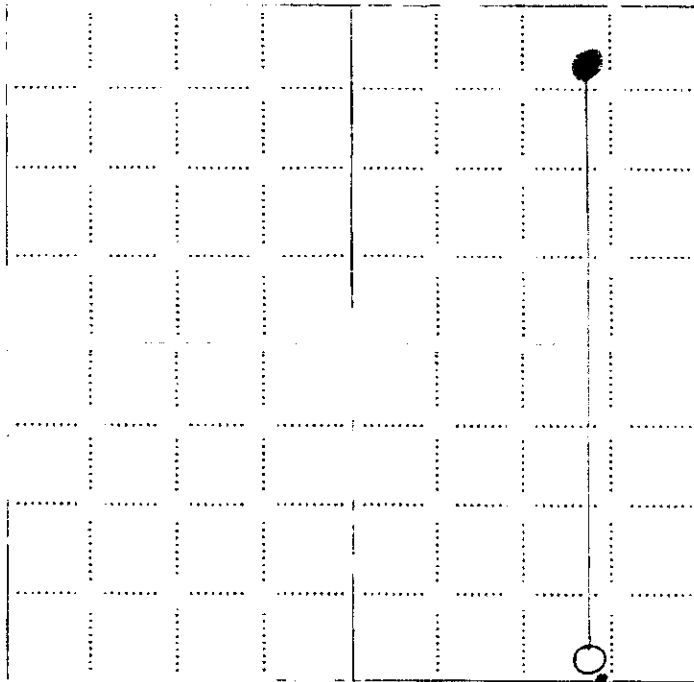
Location of Well: County Comanche
150 feet from N / S Line of Section
350 feet from E / W Line of Section
Sec. 7 Twp. 32 S. R. 17
 E W

Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

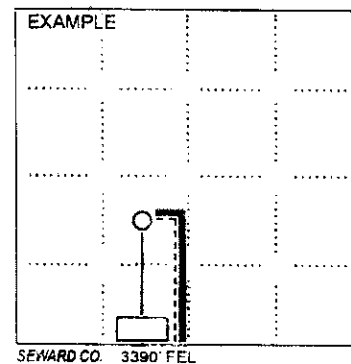
PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



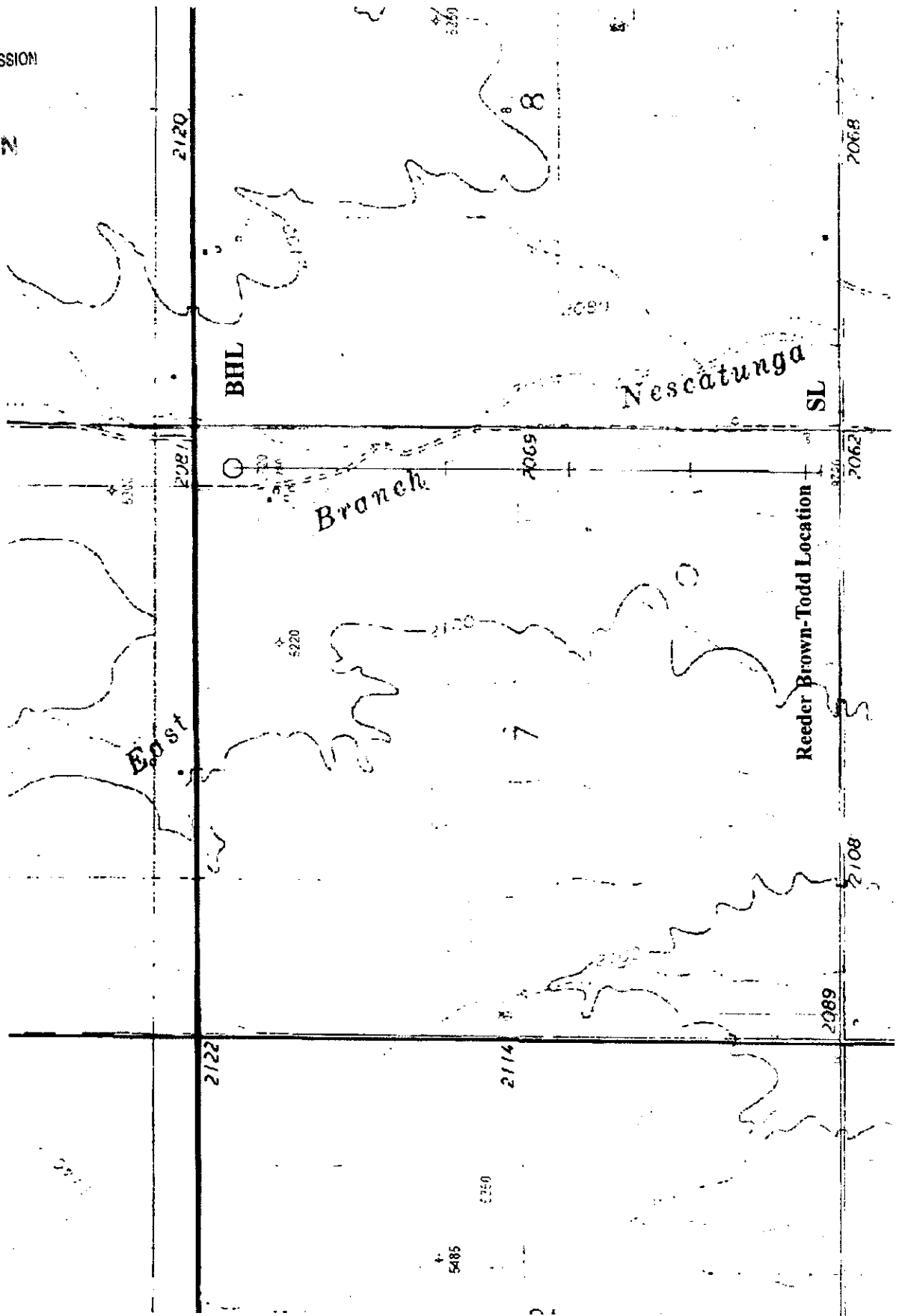
NOTE: In all cases locate the spot of the proposed drilling location.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

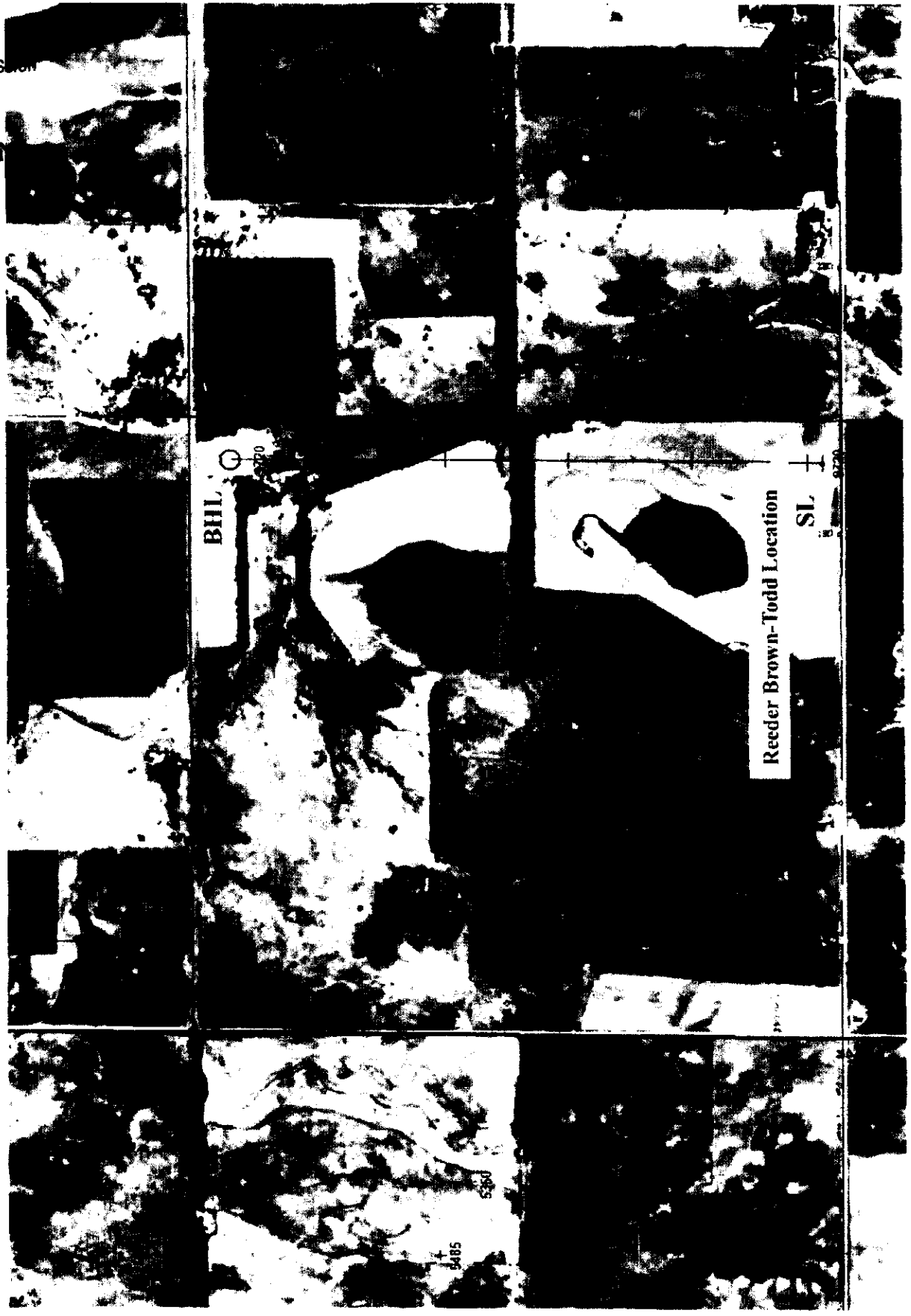
15-033-21598-0100

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SEP 13 2011
LEGAL SECTION



15033-21598-01-00

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SEP 13 2011
LEGAL SECTION



BILL
70

Reeder Brown-Todd Location
SL

5485

5486

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KANSAS CORPORATION COMMISSION

SEP 13 2011

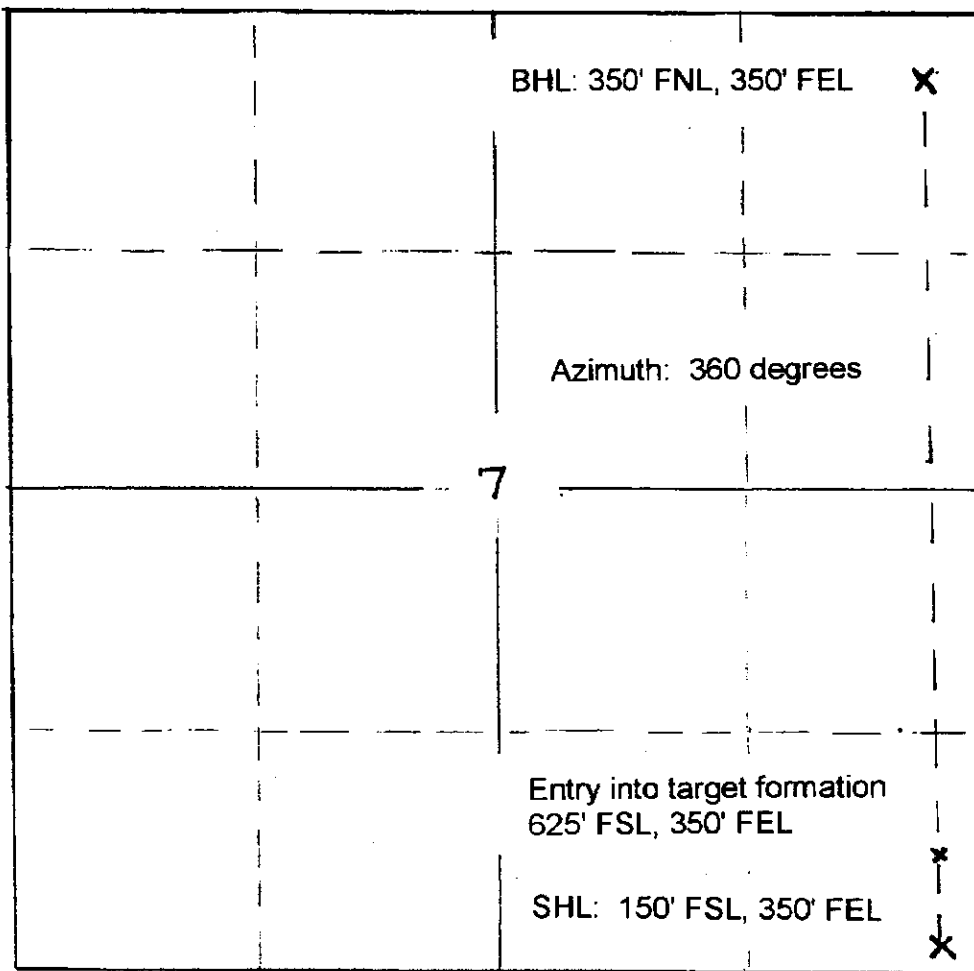
LEGAL SECTION

Reeder Operating, LLC
Brown-Todd No. 1-7H
150' FSL, 350' FEL
Section 7-T31S-R17W
Comanche County, KS

15-033-21598-01-00

R17W

T31S

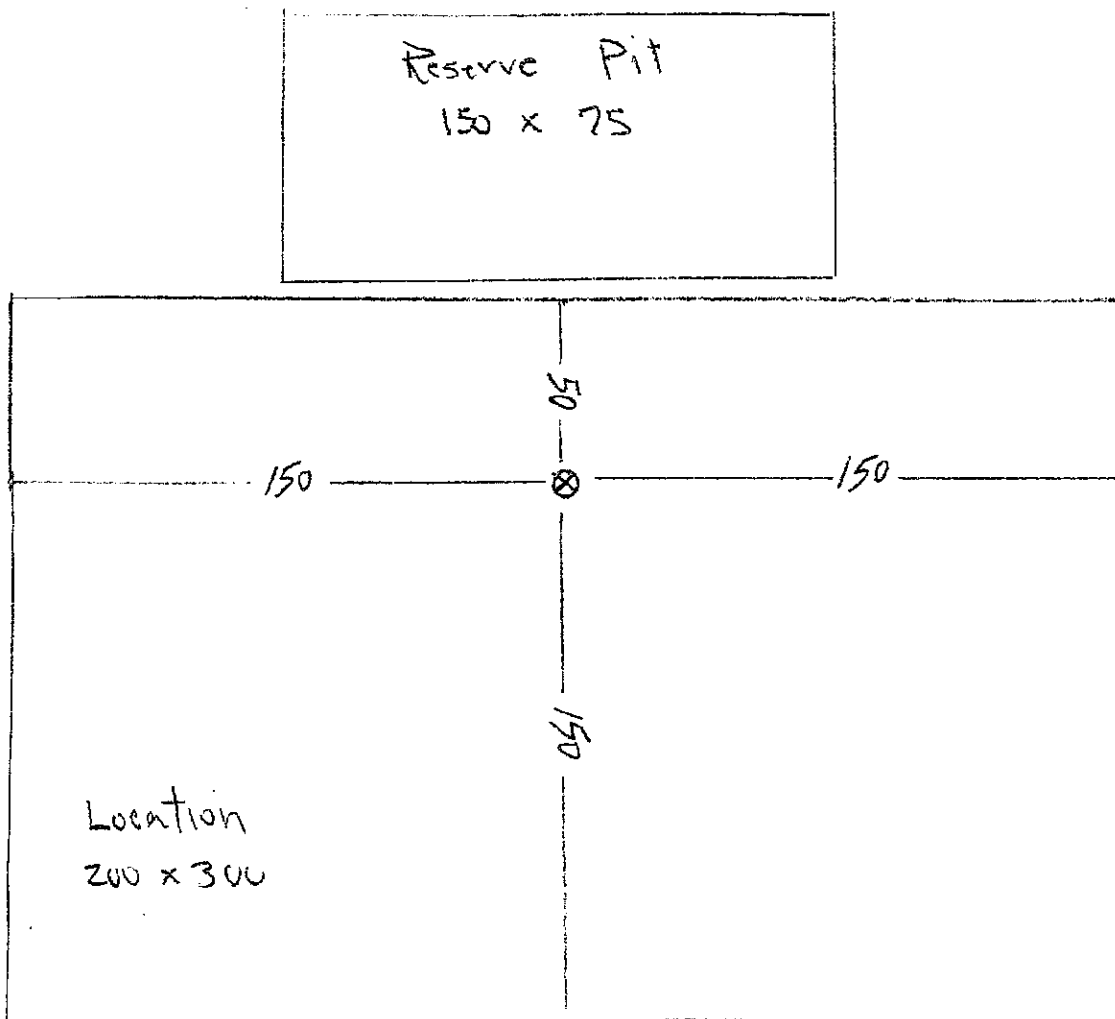


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SEP 13 2011

LEGAL SECTION

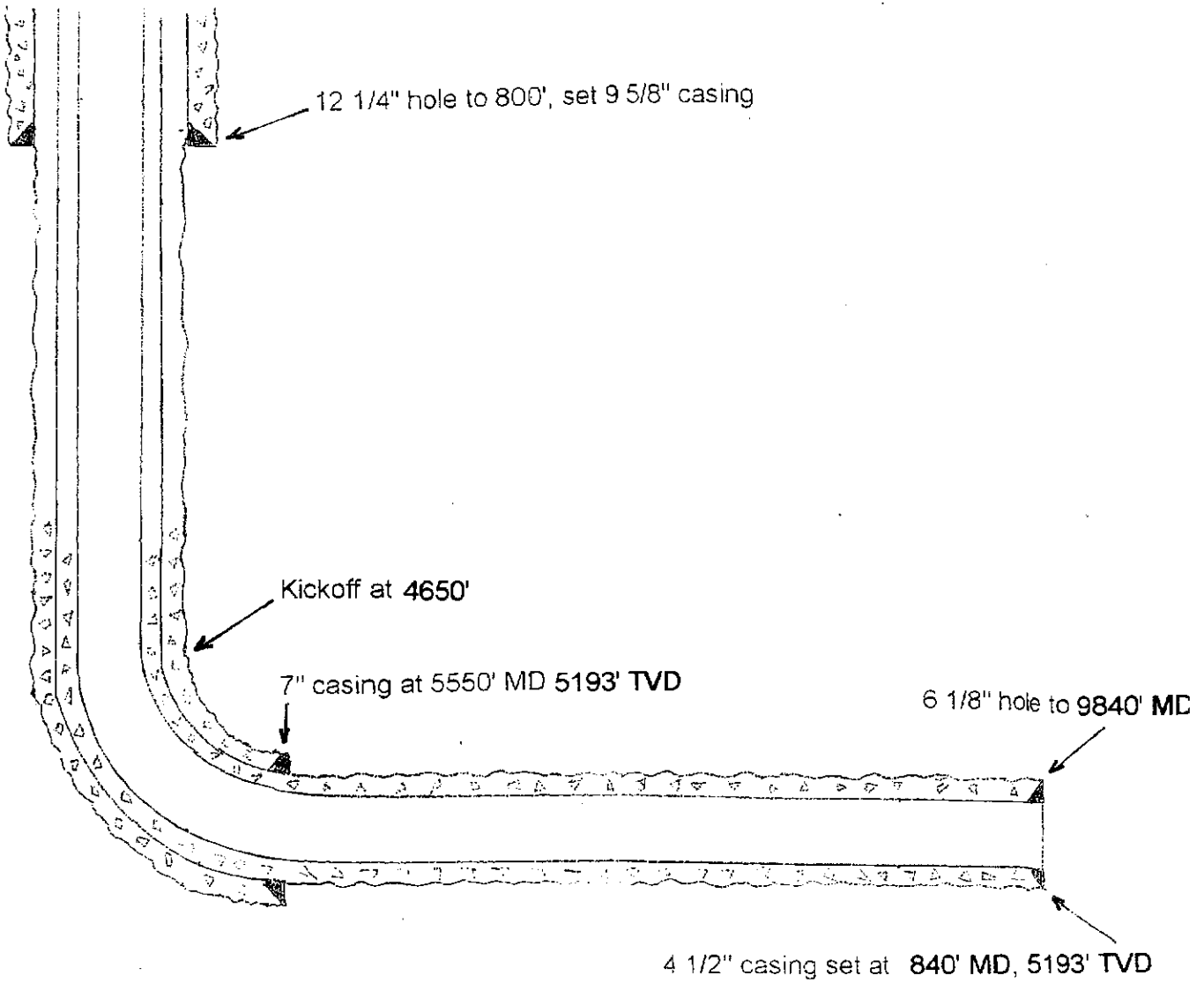
15-033-21598-01-DD



Reeder Operating, L.L.C.
Brown-Todd No. 1-7H
150' FSL, 350' FEL
Section 7-T31S-R17W
Comanche County, KS

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SEP 13 2011
LEGAL SECTION

15-033-2159801-00



September 2, 2011

SEP 13 2011

REEDER OPERATING, L.L.C.
Brown-Todd No. 1-7H
150' FSL, 350' FEL
Section 7-T31S-R17W
Comanche County, KS

LEGAL SECTION

15033-21598-01-00

C (1.): Wellbore Diagram – attached

C (2.): Plat Map – attached

C (3.): Drilling Contactor
Atlas Drilling, L.L.C.
P.O. Box 1305
Woodward, OK 73802
580-256-8222

C (4.): Casing and Cement

9 5/8" 36# J-55 casing set at 800' in 12 1/4" hole size
Cemented with 390 sx Common, 1.34 cu.ft./sx (100% excess)

7" 26# J-55 casing set at 5550' MD, 5193' TVD in 8 3/4" hole size
Cemented with 25 sx 60/40 POZ, 1.64 cu.ft./sx and 185 sx Common, 1.49
cu.ft./sx (35% excess), est. TOC 4000'

4 1/2" 11.6# N-80 casing set at 9780' MD, 5193' TVD in 6 1/8" hole size
Cemented with 50 sx 60/40 POZ, 1.64 cu.ft./sx and 410 sx Common, 1.24
cu.ft./sx (10% excess), est. TOC 4300'

C (5.): Fracture Stimulation

The target formation will be fracture stimulated in 10 stages, approximately 5000 bbls treated water and 100,000 lbs proppant per stage. Number of stages and volumes subject to change based on formation evaluation.

C (6.): Proposed Plugging Procedure

Set 7" cast iron bridge plug at 5000', cap with 20' cement
Cut 7" casing at 4000'+/- and recover, set 200' plug from 4000' – 3800'
Set 100' plug from 850' – 750'
10 sx plug at surface, 5 sx in rathole, 5 sx in mousehole

D: Blowout Preventer

An 11" 3000 psi double ram and 11" 3000 psi annular preventers will be used during drilling operations

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SEP 13 2011

LEGAL SECTION

15-033-21958-01-00

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1
July 2010

Form Must Be Typed
Form must be Signed
All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # 34191
Name: Reeder Operating, LLC
Address 1: 4925 Greenville Avenue, Suite 1400
Address 2: _____
City: Dallas State: TX Zip: 75206
Contact Person: Steve Bryson
Phone: (214) 373-7793 Fax: (214) 373-7832
Email Address: sbryson@reederenergy.com

Well Location:
SW SE SE SE Sec. 7 Twp. 32 S. R. 17 East West
County: Comanche
Lease Name: Brown-Todd Well #: 1-7H

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: Brown-Todd, LLC
Address 1: 3934 NW Rochester Road
Address 2: _____
City: Topeka State: KS Zip: 66617 + 1783

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 8-23-2011 Signature of Operator or Agent: _____ Title: Vice President-Land

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KANSAS CORPORATION COMMISSION

SEP 13 2011

LEGAL SECTION

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: Reeder Operating, LLC		License Number: 34191	
Operator Address: 4925 Greenville Avenue, Suite 1400		Dallas TX 75206	
Contact Person: Steve Bryson		Phone Number: 214-373-7793	
Lease Name & Well No.: Brown-Todd 1-7H		Pit Location (QQQQ):	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 10,000 _____ (bbbs)	
		SW SE SE SE Sec. 7 Twp. 32 R. 17 East <input type="checkbox"/> West <input checked="" type="checkbox"/> 150 Feet from _____ North / <input checked="" type="checkbox"/> South Line of Section 350 Feet from <input checked="" type="checkbox"/> East / _____ West Line of Section Comanche _____ County	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>	
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Pit dimensions (all but working pits): 150 Length (feet) 75 Width (feet)		<input type="checkbox"/> N/A: Steel Pits	
Depth from ground level to deepest point: 6 (feet)		<input type="checkbox"/> No Pit	
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Fresh water mud Number of working pits to be utilized: 1 Abandonment procedure: Evaporation and backfill Drill pits must be closed within 365 days of spud date.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.			
8-31-2011 Date		_____ Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: 9-14-11		Permit Number: _____	
Permit Date: 9-21-11		Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

15-033-21598-01-00

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Mark Sievers, Chairman
Ward Loyd, Commissioner
Thomas E. Wright, Commissioner

Sam Brownback, Governor

September 22, 2011

Reeder Operating, LLC
4925 Greenville Ave Ste 1400
Dallas, TX 75206

RE: Drilling Pit Application
Brown-Todd Lease Well No. 1-7H
SE/4 Sec. 07-32S-17W
Comanche County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 96 hours after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Haynes".

Kathy Haynes
Department of Environmental Protection and Remediation

cc: File