

SEP 27 2011

For KCC Use: 10-26-2011
Effective Date: 10-26-2011
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

LEGAL SECTION

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

NOTICE OF INTENT TO DRILL

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

| | | |
|--|---|--|
| Well Drilled For: | Well Class: | Type Equipment: |
| <input checked="" type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input checked="" type="checkbox"/> Mud Rotary |
| <input checked="" type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Air Rotary |
| | <input type="checkbox"/> Disposal | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Seismic: _____ # of Holes | <input checked="" type="checkbox"/> Infield | |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Pool Ext. | |
| | <input checked="" type="checkbox"/> Midcat | |
| | <input type="checkbox"/> 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: 5200' TVD
Bottom Hole Location: 350' FNL 350' FNL -20-32S-17W
KCC DKT #: 12-CONS-RC CHOIR

Spot Description: _____
SW 1/4 SW 150 Sec. 20 Twp. 32 S. R. 17 E W
225' 225' feet from N / S Line of Section
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: Robert D. Gray Well #: 1-20H
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 est 2022 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: 240
Depth to bottom of usable water: 280
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: 9700' TMD 5200' 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: _____

Top of salt approx. 1050'. Max. surface casing 950'
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 #133,897-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: 9-12-11 Signature of Operator or Agent: _____ Title: Vice President-Land

For KCC Use ONLY
API # 15 - 033-21603-01-00
Conductor pipe required _____ feet
Minimum surface pipe required 300 feet per ALT. I II
Approved by: [Signature] 10-21-2011
This authorization expires: 10-21-2012
(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 ACCO-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

20
32
17
 E
 W

SEP 27 2011

15-033-21603-01-00

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

LEGAL SECTION

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
SW SW SW Sec. 20 Twp. 32 S. R. 17 East West
County: Comanche
Lease Name: Robert D. Gray Well #: 1-20H

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

Surface Owner Information:

Name: Robert D. & Linda L. Gray
Address 1: PO Box 192
Address 2: _____
City: Kremlin State: OK Zip: 73753 + _____

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.

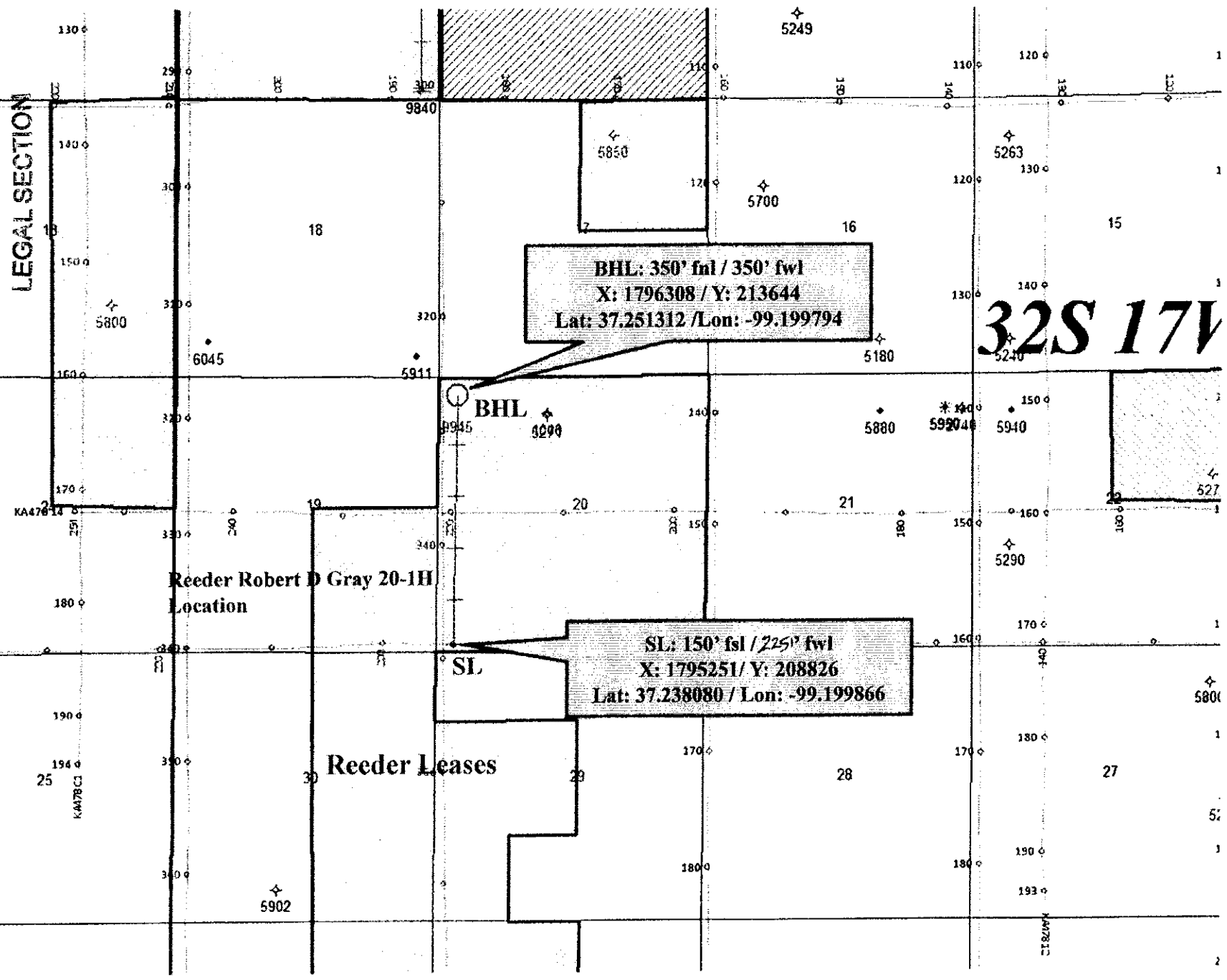
I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 9-12-11 Signature of Operator or Agent:  Title: Vice President-Land

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KANSAS CORPORATION COMMISSION

SEP 27 2011

15-033-21603-01-00



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KANSAS CORPORATION COMMISSION

SEP 27 2011

LEGAL SECTION

15-033-21603-01-00

September 27, 2011

RE: Drilling Summary
Reeder Operating, LLC
Robert D. Gray #1-20H
Section 20-32S-17W
Comanche county, Kansas

The referenced well is a planned horizontal well targeting the Mississippian formation at approximately 5200' TVD. The surface location will be located at 150' FSL and 225' FWL of section 20-32S-17W, Comanche County, Kansas and will be drilled directionally to intersect the Mississippian formation at 700' FSL and 350' FWL and then proceed to a bottom hole location at 350' FNL and 350' FWL of the same section. The well bore will be "kicked off" at approximately 4650' building angle at the rate of 10 degrees per 100', landing at 5550' TMD and 5190' TVD. Adjustments may be made in the TMD and TVD according to formation. The lateral portion of the wellbore will run from south to north approximately 350' FWL of the section.

SEP 27 2011

LEGAL SECTION

15-033-21603-01-00

September 12, 2011

REEDER OPERATING, L.L.C.
Robert D. Gray No. 1-20H
150' FSL, ~~225~~ FWL
Section 20-T32S-R17W
Comanche County, KS

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, 5190' 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 9840' MD, 5190' 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 8-10 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

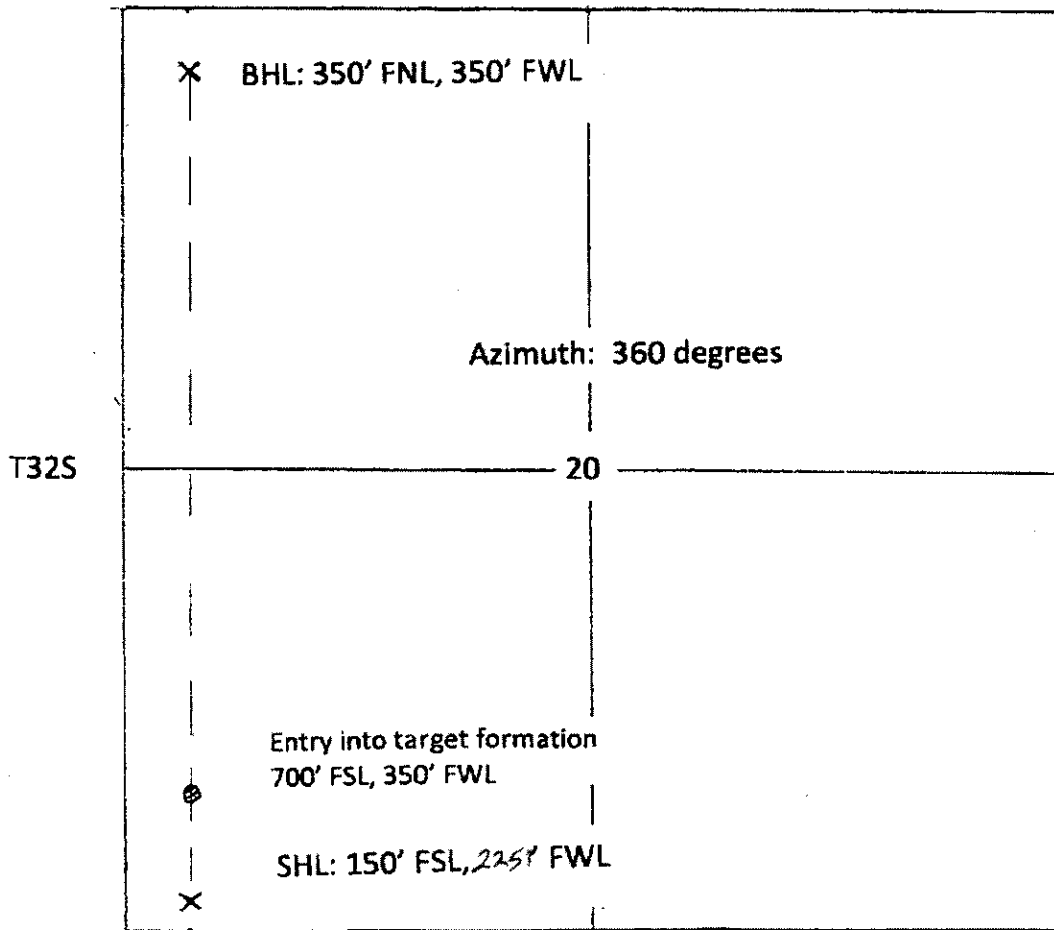
D: Blowout Preventer
An 11" 3000 psi double ram and 11" 3000 psi annular preventers will be
used during drilling operations

SEP 27 2011

15-033-21603-01-00 LEGAL SECTION

Reeder Operating, L.L.C.
Robert D. Gray No. 1-20H
150' FSL, 225' FWL
Section 20-T32S-R17W
Comanche County, KS

R17W



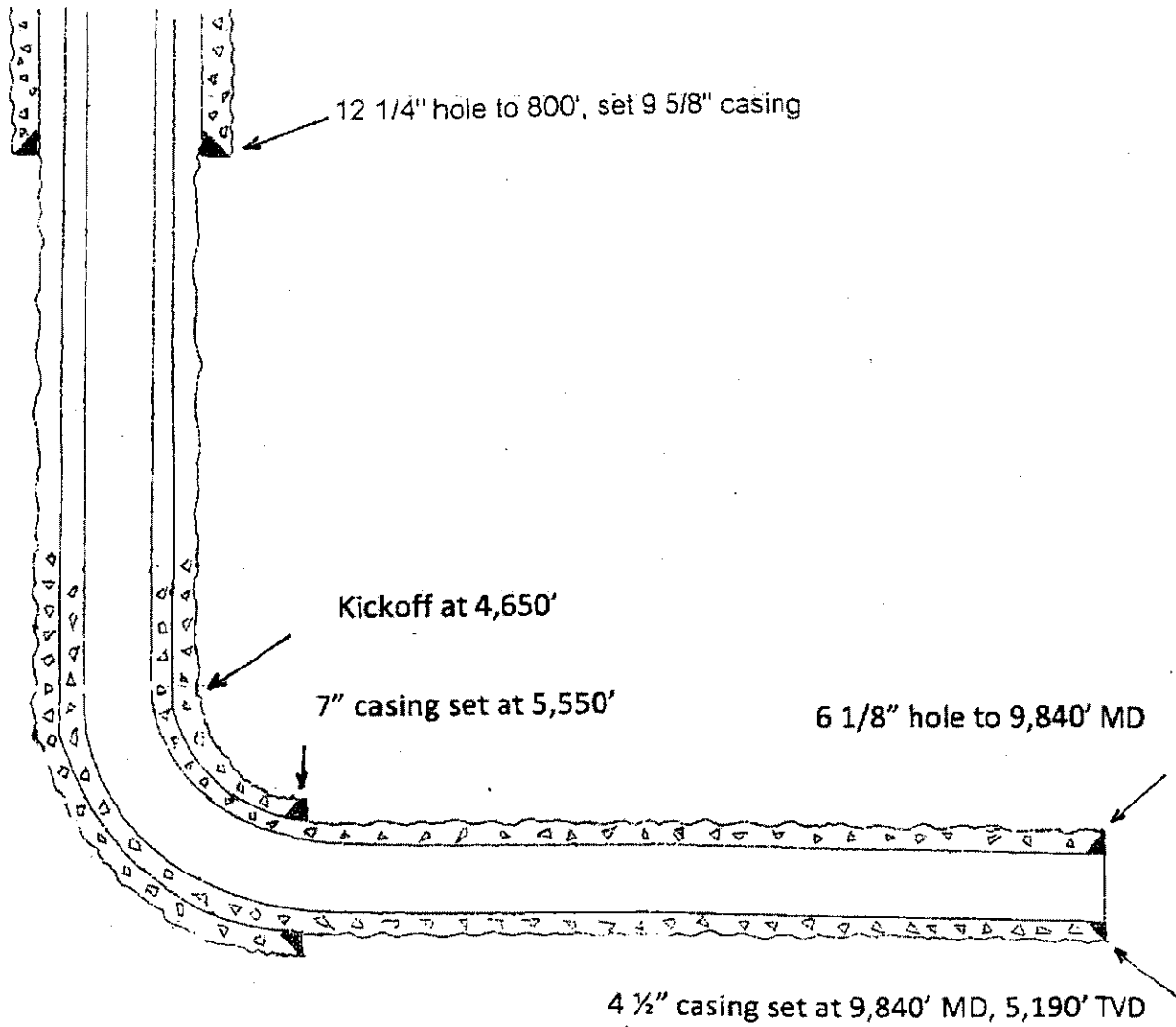
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LEGAL SECTION

15033-21603-01-00

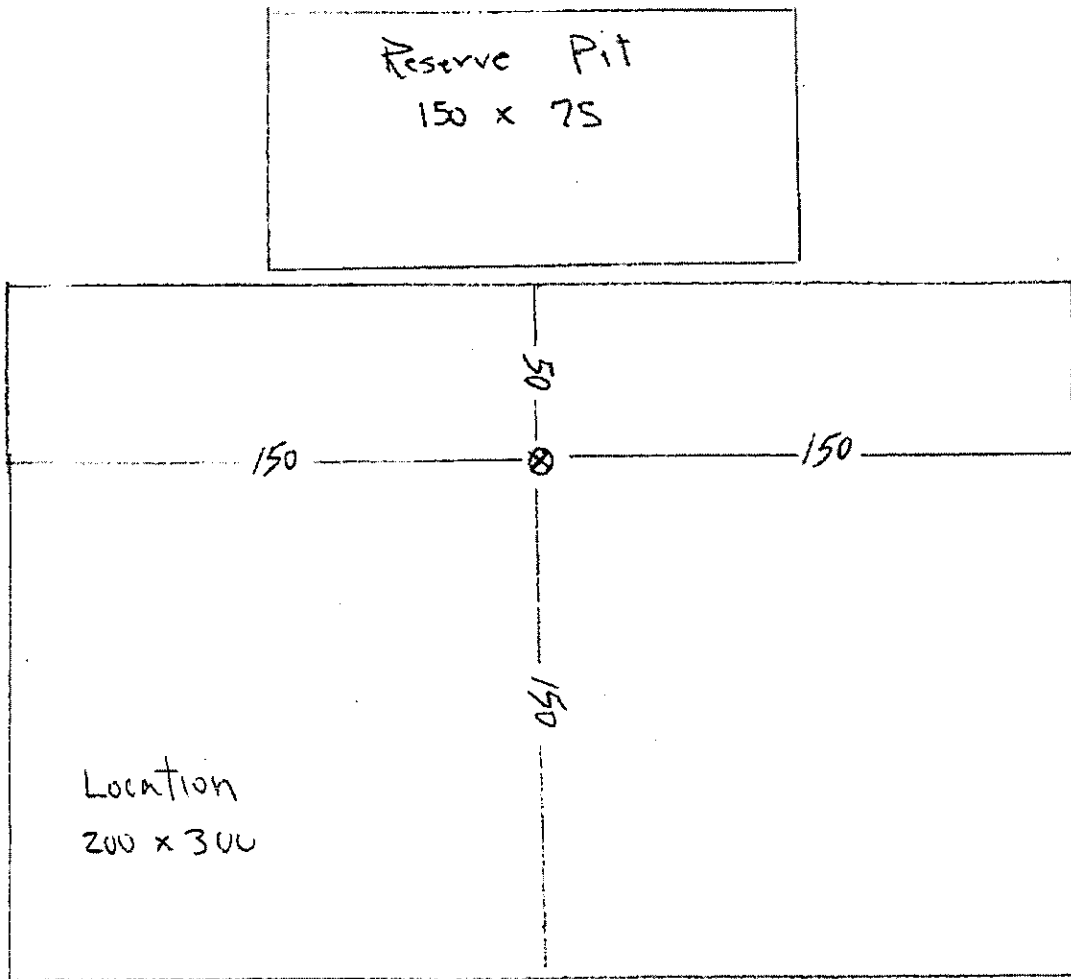
Reeder Operating, L.L.C.
Robert D. Gray No. 1-20H
150' FSL, 225' FWL
Section 20-T32S-R17W
Comanche County, KS



SEP 27 2011

LEGAL SECTION

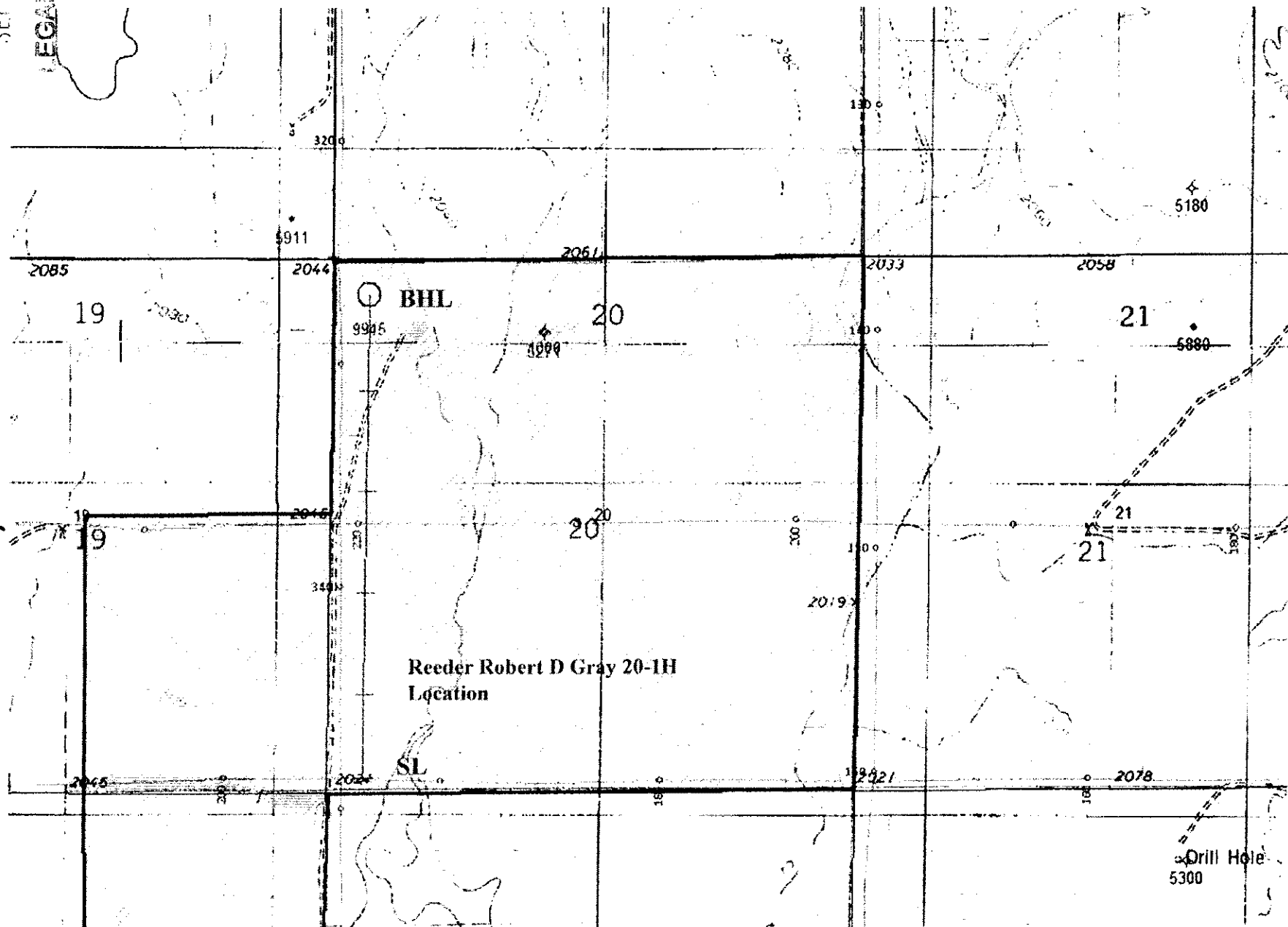
15-033-21603-01-00



SEP 27 2011

LEGAL SECTION

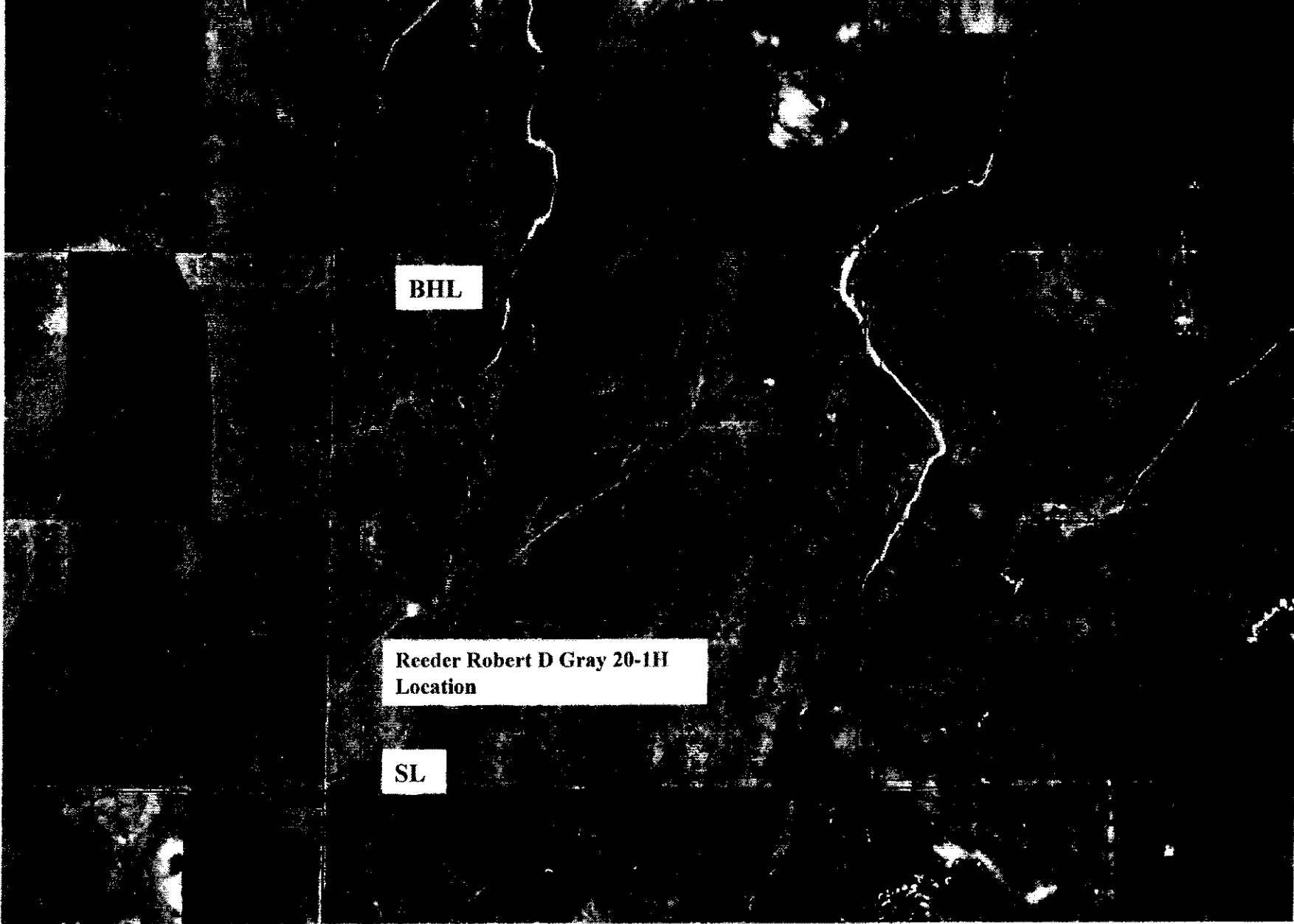
15-033-21603-01-00



SEP 27 2011

15033-21603-01-00

L SECTION



REEDER OPERATING, LLC
 ROBERT GRAY LEASE
 SW. 1/4, SECTION 20, T32S, R17W
 COMANCHE COUNTY, KANSAS

RECEIVED
 KANSAS CORPORATION COMMISSION

SEP 27 2011

LEGAL SECTION

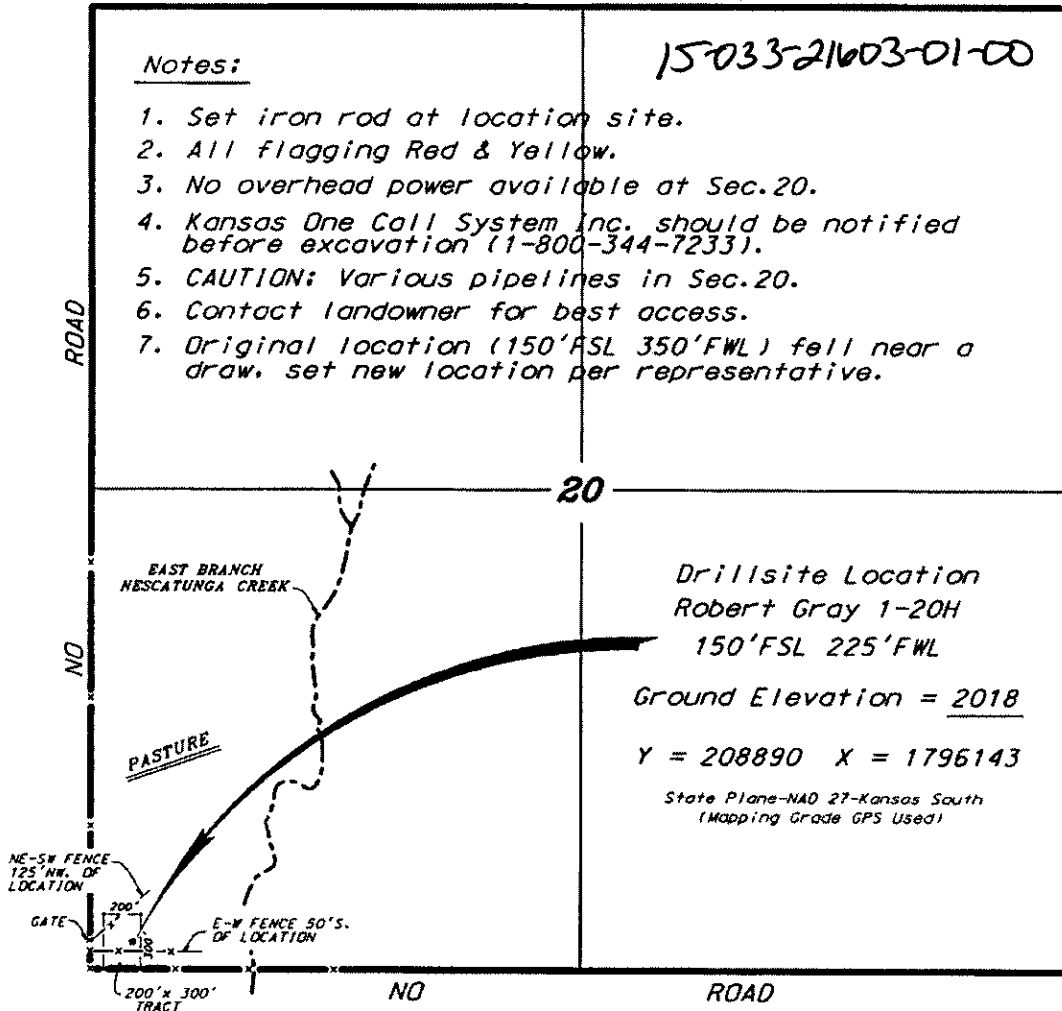
NO ROAD

Notes:

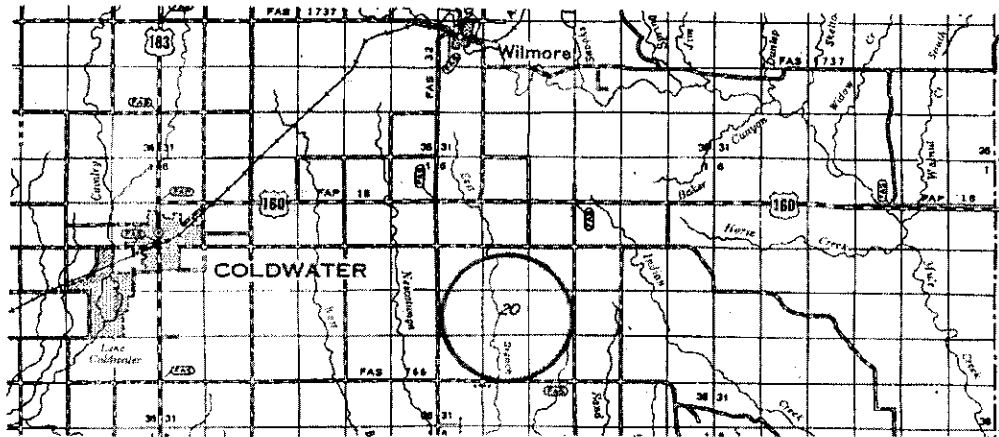
15033-21603-01-00

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. No overhead power available at Sec. 20.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 20.
6. Contact landowner for best access.
7. Original location (150'ASL 350'FWL) fell near a draw, set new location per representative.

*Ingress and egress to location as shown on this plat is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



Drillsite Location
 Robert Gray 1-20H
 150'FSL 225'FWL
 Ground Elevation = 2018
 Y = 208890 X = 1796143
 State Plane-NAD 27-Kansas South
 (Mapping Grade GPS Used)

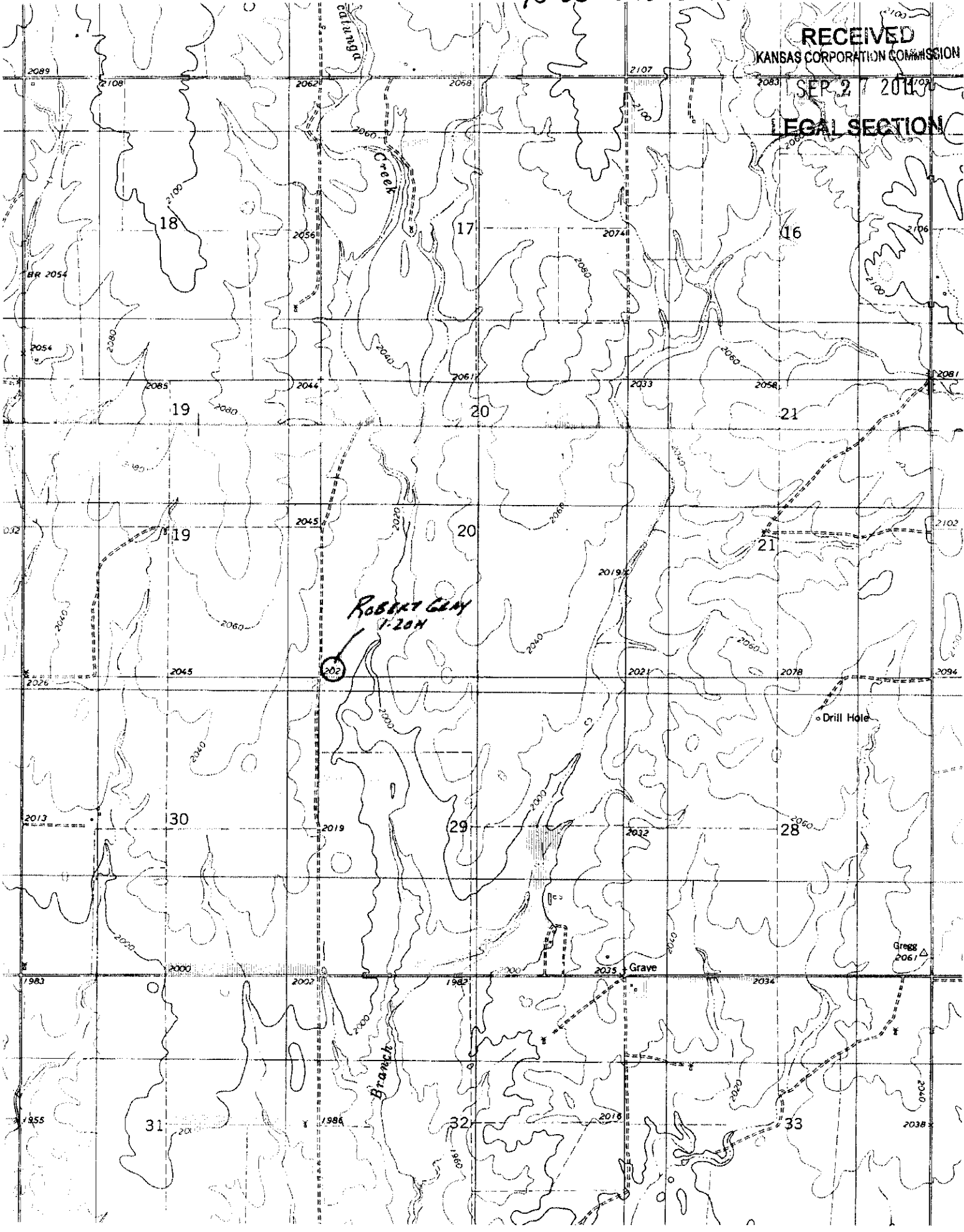


* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
 * Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator, securing this service and accepting this plat and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from the incident or consequential damages.
 * Elevations derived from National Geodetic Vertical Datum.

Date September 14, 2011

15033-21603-01-00

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KANSAS CORPORATION COMMISSION
SEP 27 2014
LEGAL SECTION



SEP 27 2011

LEGAL SECTION

TRIPLETT, WOOLF & GARRETSON, LLC

LAW FIRM

Thomas C. Triplett
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Thomas P. Garretson
James A. Walker
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** Admitted in Kansas & Missouri

September 27, 2011

Via Hand Delivery

John McCannon
Assistant General Counsel
Kansas Corporation Commission
130 S. Market, Room 2078
Wichita, KS 67202-3802

RE: *Application of Reeder Operating, LLC for an Order permitting drilling of its Robert D. Gray 1-20H Horizontal Well, Section 20, Township 32 South, Range 17 West Comanche County, Kansas; Docket No. 12-CONS-80-CHOR Our File No. 14304-03*

Dear John:

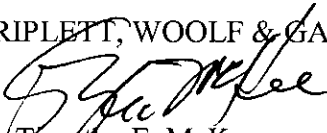
You will find enclosed an amended Notice of Intent to Drill on the captioned well which is necessitated by the fact that Reeder will not be drilling a pilot hole through the Mississippian into the Viola and then coming back up-hole to begin their horizontal bend into the Mississippian. Rather, they are going to drill a vertical well and simply make the turn into the Mississippian. They were able to secure log data sufficient to avoid drilling through the Mississippian into the Viola.

Please also note that we have amended the Application for the surface pit to reflect that the area of the captioned well is considered to be in a sensitive ground water area and that Reeder will abide by the staff's recommendation with respect to the pits, etc.

Should you have any questions at all, please let me know.

Very truly yours,

TRIPLETT, WOOLF & GARRETSON, LLC



By Timothy E. McKee

TEM:tlmc
Enclosure
cc: Steve Bryson

SEP 27 2011

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

LEGAL SECTION Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

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.: Robert D. Gray 1-20H | | Pit Location (QQQQ): SW - SE - SW - SW | |
| 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 (If WP Supply API No. or Year Drilled) | | Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 10,000 (bbbls) | |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i> | |
| 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 | |
| How is the pit lined if a plastic liner is not used? _____ | | | |
| Pit dimensions (all but working pits): <u>150</u> Length (feet) <u>75</u> Width (feet) | | <input type="checkbox"/> N/A: Steel Pits | |
| Depth from ground level to deepest point: <u>6</u> (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: <u>4828</u> feet Depth of water well <u>60</u> feet | | Depth to shallowest fresh water <u>4</u> 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: <u>Fresh water mud</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Evaporation and backfill</u> 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. | | | |
| <u>9-12-11</u> Date | | Signature of Applicant or Agent | |
| KCC OFFICE USE ONLY | | | |
| Date Received: <u>9-27-11</u> Permit Number: _____ | | Permit Date: <u>20-6-11</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |

15-033-21603-01-00

October 6, 2011

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

Re: Drilling Pit Application
Robert D. Gray Lease Well No. 1-20H
SW/4 Sec. 20-32S-17W
Comanche County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources. District staff has recommended that the reserve pit be lined. If a plastic liner is to be used it must have a minimum thickness of 10 mil. Integrity of the liner must be maintained at all times.

The free fluids are to be removed from the reserve pit after 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 after drilling operations have ceased.

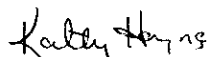
If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

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 2008), 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,



Kathy Haynes
Environmental Protection and Remediation Department