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JAN 18 2012

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

For KCC Use: 1-28-2012

Effective Date:

District #

SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

KCC WICHITA

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: February 1 2012  
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 + 0000  
Contact Person: Steve Bryson  
Phone: 214-373-7793

CONTRACTOR: License# 34571  
Name: Atlas Drilling, LLC

Well Drilled For:  Oil  Gas  Enh Rec  Storage  Disposal  Seismic  Other  
Well Class:  Infield  Pool Ext.  Wildcat  Other  
Type Equipment:  Mud Rotary  Air Rotary  Cable

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: 5650'  
Bottom Hole Location: 2445' FEL and 330' FNL - 22-30S-21W  
KCC DKT #:

HORIZONTAL WELL

Top of salt approx. 1270'. Max surf. casing 8170'.  
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: 1-18-12 Signature of Operator or Agent: [Signature] Title: Vice President - Land

For KCC Use ONLY  
API # 15 - 25-21537-01-00  
Conductor pipe required None feet  
Minimum surface pipe required 240 feet per ALT  I  II  
Approved by: [Signature] 1-23-2012  
This authorization expires: 1-23-2013  
(This authorization void if drilling not started within 12 months of approval date.)  
Spud date: Agent:

Spot Description:  
SW SW SE Sec 22 Twp 30 S R 21  E  W  
200 feet from N /  S Line of Section  
2,445 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?  
(Note: Locate well on the Section Plat on reverse side)

County: Clark  
Lease Name: B.W.B. of Kansas Well #: 1-22H  
Field Name: none

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

Nearest Lease or unit boundary line (in footage): 330'

Ground Surface Elevation: 2250' 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: 140'

Depth to bottom of usable water: 220'

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: 10,000 +/-

Formation at Total Depth: 5650' 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:

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

22 30 21  E  W

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KCC WICHITA

Side Two

For KCC Use ONLY

API # 15 - 025-21537 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: B.W.B. of Kansas  
 Well Number: 1-22H  
 Field: none  
 Number of Acres attributable to well: 640  
 QTR/QTR/QTR/QTR of acreage: SW - SW - SW - SE

Location of Well: County: Clark  
200 feet from  N /  S Line of Section  
2,445 feet from  E /  W Line of Section  
 Sec. 22 Twp. 30 S. R. 21  E  W

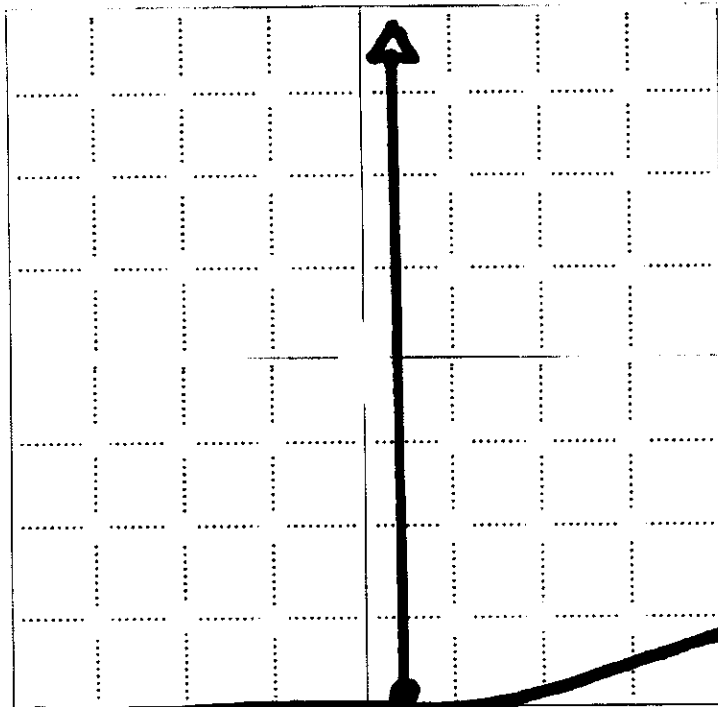
Is Section:  Regular or  Irregular

If Section is Irregular, locate well from nearest corner boundary.

Section corner used:  NE  NW  SE  SW

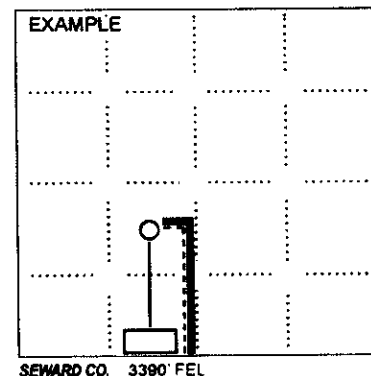
**PLAT**

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



1980' FSL

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.

JAN 18 2012

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

KCC WICHITA

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 + 0000  
Contact Person: Steve Bryson  
Phone: ( 214 ) 373-7793 Fax: ( 214 ) 373-7832  
Email Address: sbryson@reederenergy.com

Well Location:  
SW SW SW SE Sec. 22 Twp. 30 S. R. 21  East  West  
County: Clark  
Lease Name: B.W.B. of Kansas Well #: 1-22H

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

## Surface Owner Information:

Name: B.W.B of Kansas, Inc.  
Address 1: 825 Hoover  
Address 2:  
City: Norman State: OK Zip: 73072 + 0000

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: 1-18-12 Signature of Operator or Agent:  Title: Vice President - Land



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15-025-21537-01-00

January 17, 2012

B.W.B. of Kansas, Inc.  
825 Hoover  
Norman, OK 73072-0000

RE: Reeder Operating, LLC B.W.B of Kansas 1-22H  
Section 22-T30S-R21W  
Clark County, Kansas

Dear Mr. Hiss,

In April of 2011, you executed an Oil and Gas Lease covering the referenced land in Clark County, Kansas in favor of Reeder Energy Partners of Dallas, Texas. Under the Kansas Surface Owner Notice Act (House Bill 2032), Reeder would like to drill a well and are hereby seeking your approval to commence such operations.

Reeder Energy is proposing the drilling of a horizontal Mississippian test with the location in the SW/4SE/4 of the section on the south section line and drilling a Horizontal Mississippian well. The horizontal section of the well would go north approximately 2445' off of the east line of the section and terminate approximately 330-350' from the north section line (an estimated 4,155' horizontal wellbore). We may need to drill a water well or utilize a water well on the property for our drilling and completion operations. The best access we can determine from aerial photos would be from the county road on the south line of the section. Any gas pipelines needed to produce the well would utilize the same access route by laying the pipeline in the bar ditch of the road. We will install cattle guards, gates or fencing if necessary to protect any livestock on the property. This would have the least impact on the property that we can determine through photos and surface inspection. Upon completion of the well, we will reduce the size of the location to accommodate our production equipment and maintain the location. I have included copies of aerial photos, maps and plats to indicate the proposed location, location layout, and the wellbore direction. The proposed unit which will be requested from the Kansas Corporation Commission would be all of section 22 containing 640 acres, more or less.

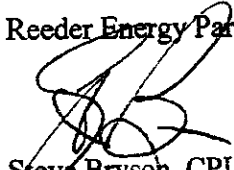
We would like to start operations as soon as possible as we anticipate having a drilling rig available around the first of February. If this meets with your approval, please execute and return one original letter to the undersigned. Should you have any questions or would like to discuss any of the plans I have outlined, please let me

15-02521537-01-00

know and I will be happy to call or arrange to meet you or a representative. I can be reached at 214-373-7793 or on my cell at 214-232-2039.

Very truly yours,

Reeder Energy Partners, LP



Steve Bryson, CPL  
Vice President - Land

AGREED TO AND ACCEPTED THIS \_\_\_\_ DAY OF January, 2012.

B.W.B. of Kansas, Inc.

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Robert D. Hiss  
President

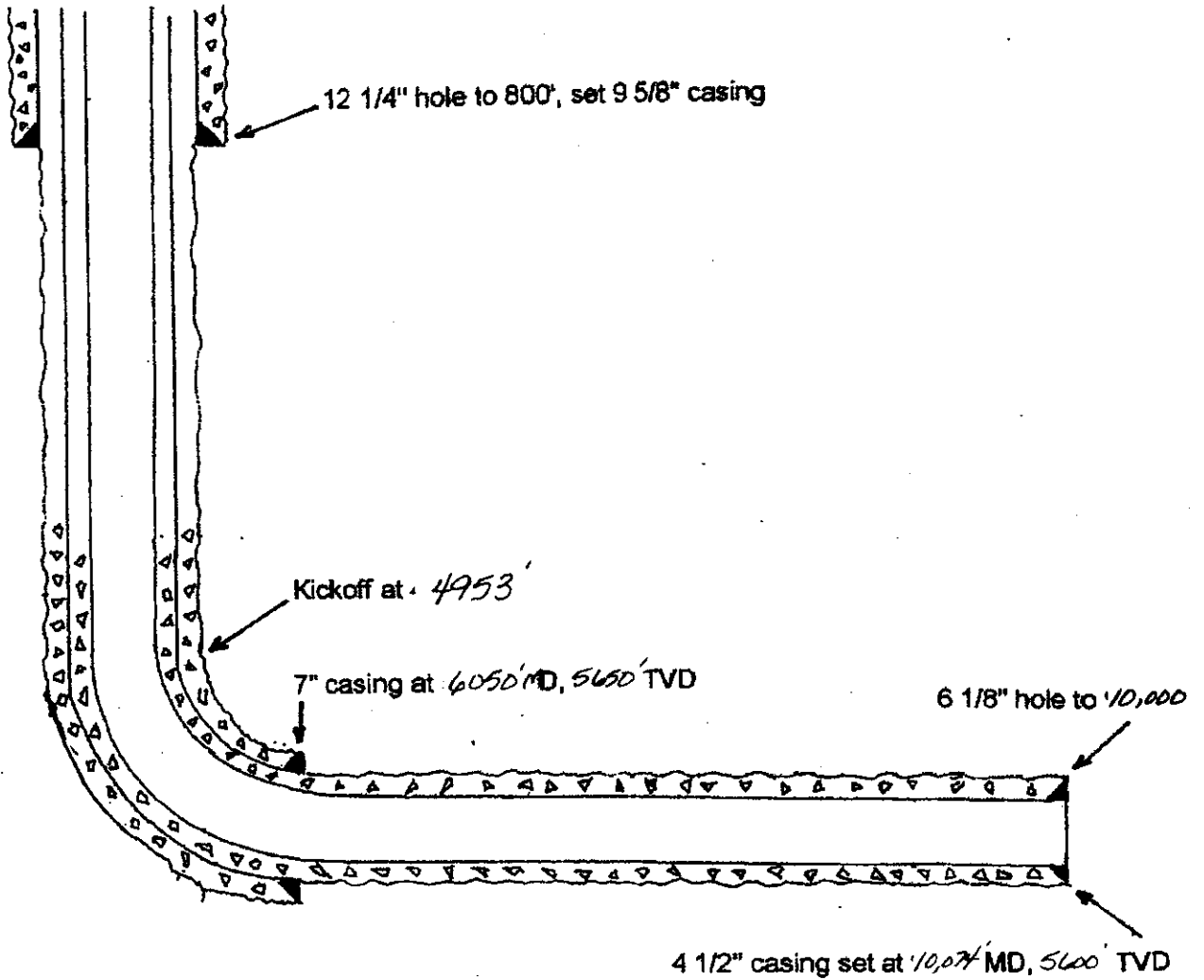
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REEDER OPERATING, LLC  
B.W.B. of Kansas, Inc. #1-22H  
200' FSL & 1980' FEL  
Section 22-T30S-R21W  
Clark County, Kansas



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15-025-21537-01-00

REEDER OPERATING, LLC  
B.W.B. of Kansas, Inc. #1-22H  
200' FSL & 1980' FEL  
Section 22-T30S-R21W  
Clark County, Kansas

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" 38# 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, 5150' 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, 5150' 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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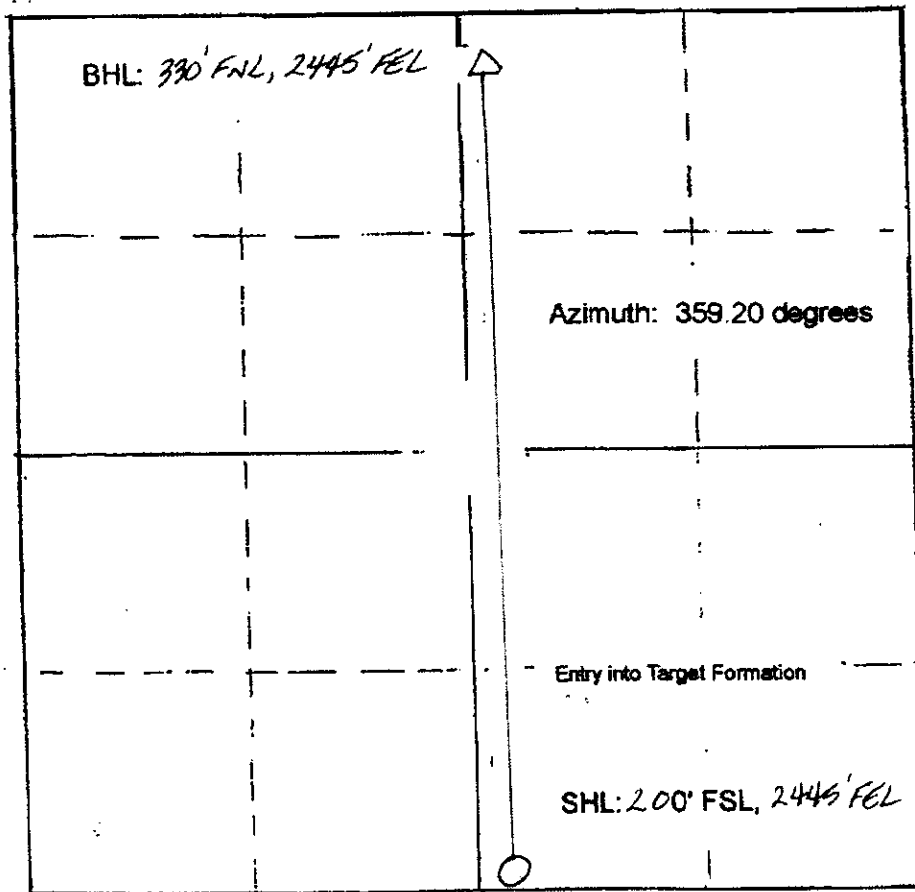
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REEDER OPERATING, LLC  
B.W.B. of Kansas, Inc. #1-22H  
200' FSL & 1980' FEL  
Section 22-T30S-R21W  
Clark County, Kansas

R:

T3:





# Reeder Operating LLC

B.W.B. of Kansas, Inc. #1-22H  
Clark County, KS

Section 22 T30S R21W  
Revised 1/17/2012

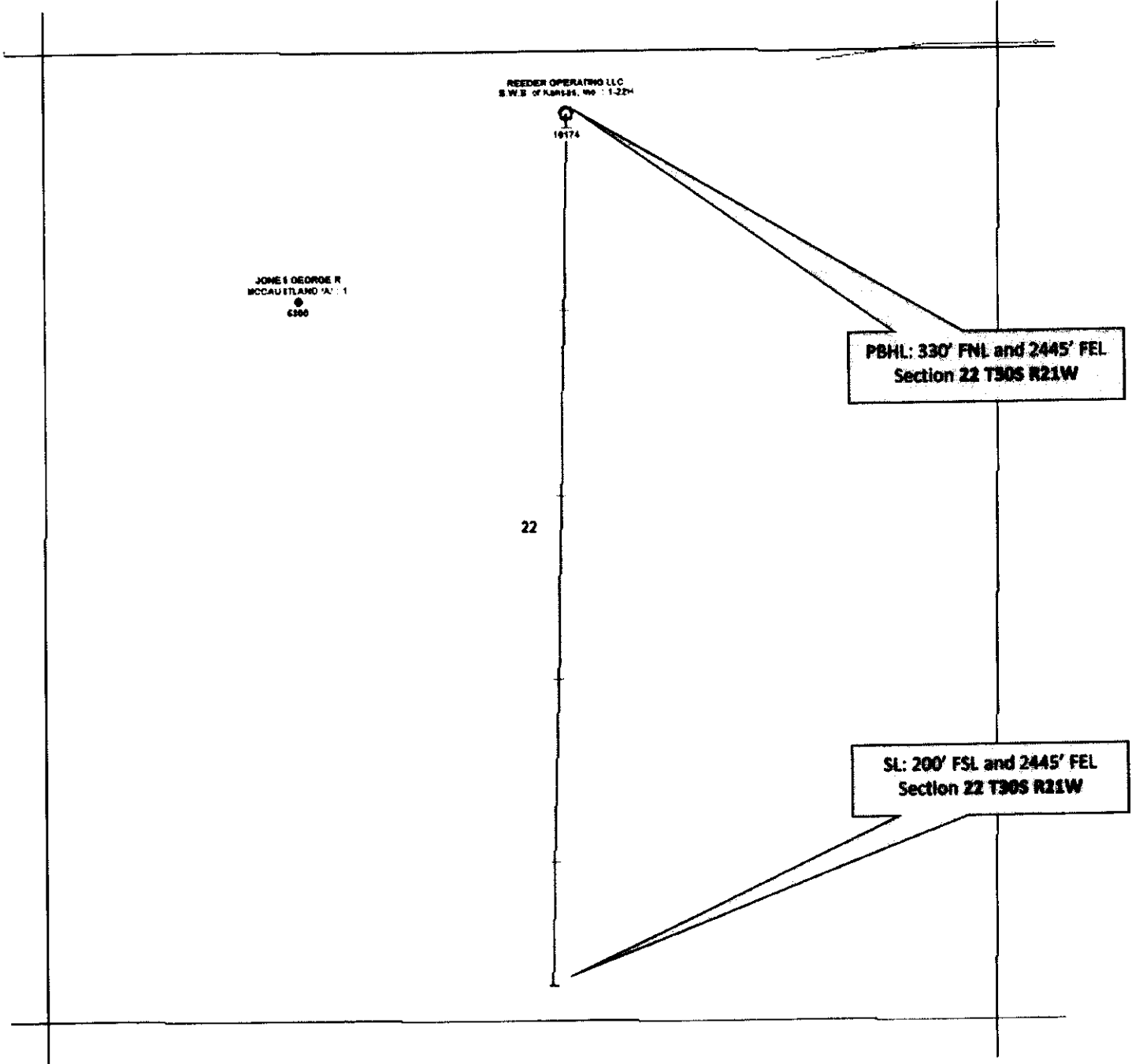
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KCC WICHITA

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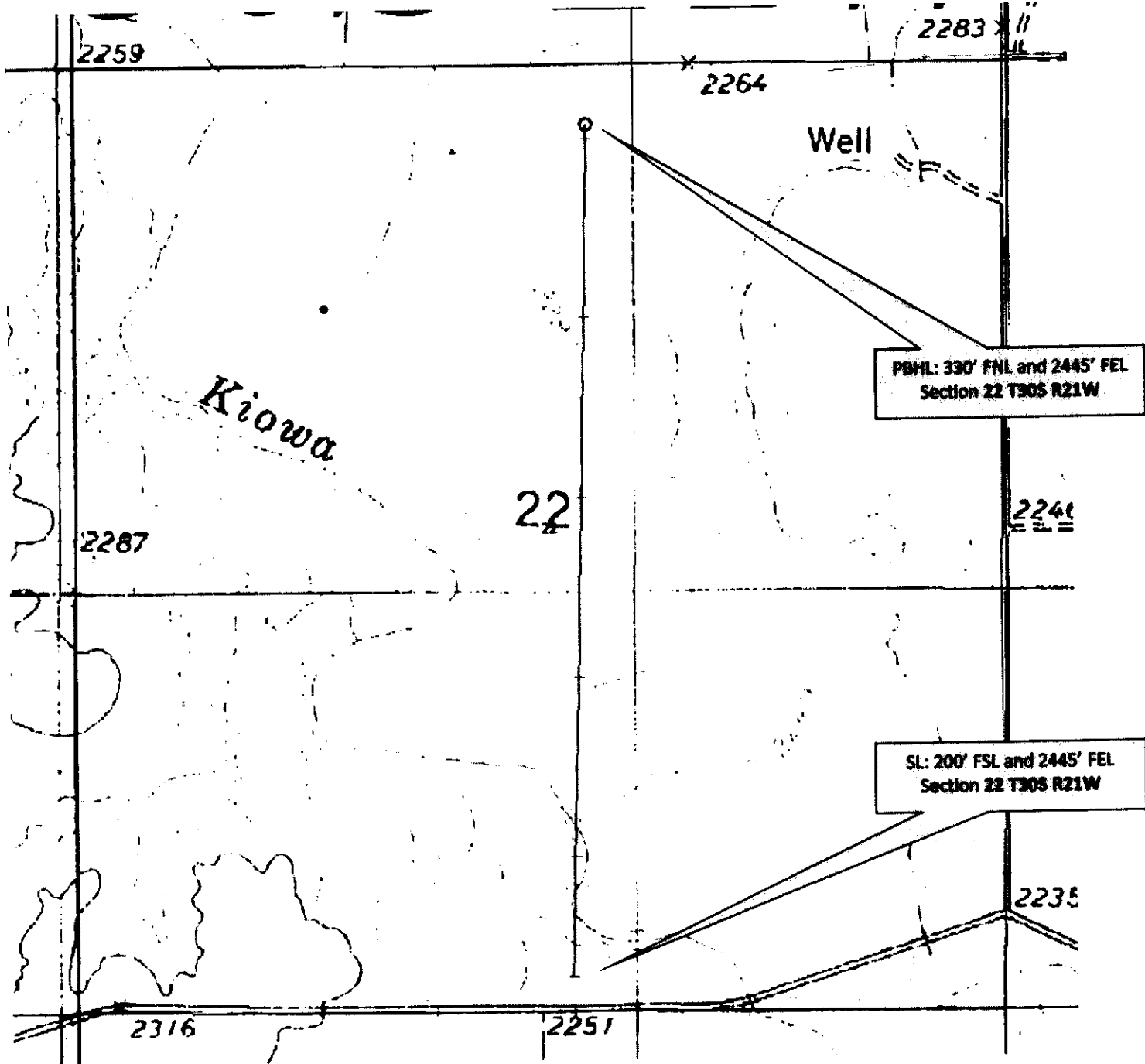
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KCC WICHITA

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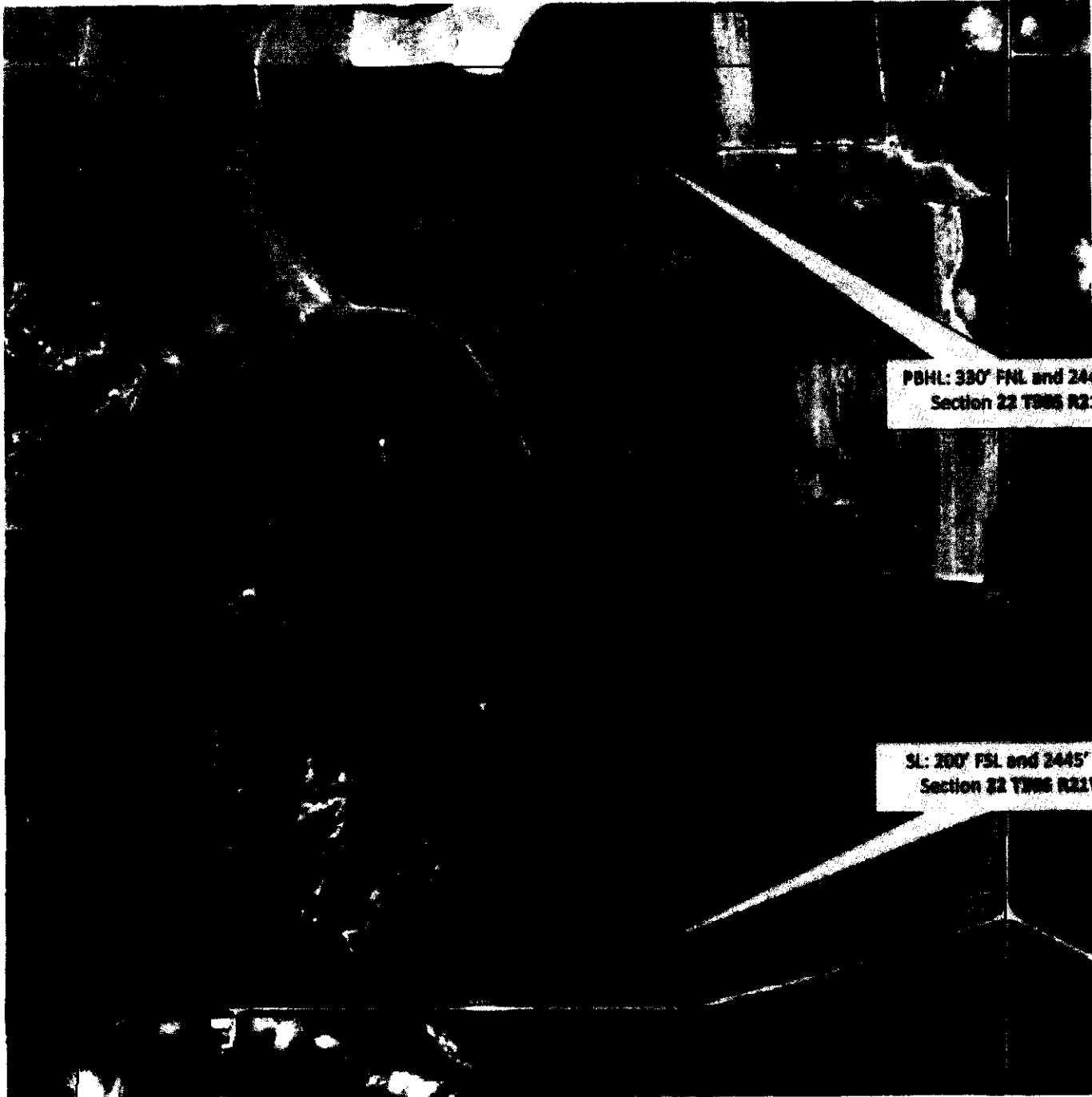


PBHL: 330' FNL and 2445' FEL  
Section 22 T30S R21W

SL: 200' FSL and 2445' FEL  
Section 22 T30S R21W

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15-0252153701-00



PBHL: 330' PNL and 2445' FEL  
Section 22 T986 R21W

SL: 200' PSL and 2445' FEL  
Section 22 T986 R21W

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January 20, 2012

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

Re: Drilling Pit Application  
BWB of Kansas Lease Well No. 1-22H  
SE/4 Sec. 22-30S-21W  
Clark 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 20 mil. Integrity of the liner must be maintained at all times.

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

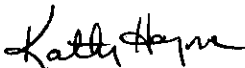
**If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.**

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](http://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