

For KCC Use: **7-17-2012**
 Effective Date
 District # **1**
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

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: July 22, 2012
 month day year

Spot Description:
 NW SE SE SE Sec. 7 Twp. 32 S. R. 17 E W
 450 feet from N S Line of Section
 515 feet from E W Line of Section

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

Is SECTION: Regular Irregular?

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

County: Comanche
 Lease Name: Brown-Todd Well #: #1 SWD
 Field Name: none

CONTRACTOR: License# **5929**
 Name: **DUICE DRILLING Co, INC.**

Is this a Prorated / Spaced Field? Yes No

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

Target Formation(s): Arbuckle
 Nearest Lease or unit boundary line (in footage): 450
 Ground Surface Elevation: 2082+/- feet MSL

Water well within one-quarter mile: Yes No
 Public water supply well within one mile: Yes No

If OWWO: bid well information as follows:

Depth to bottom of fresh water: **300 230**
 Depth to bottom of usable water: **300 320 per log son.**

Operator: N/A
 Well Name: N/A
 Original Completion Date: N/A Original Total Depth: N/A

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 800'

Length of Conductor Pipe (if any): 20'

Projected Total Depth: 7100'

Formation at Total Depth: Arbuckle

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:

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JUL 11 2012

LEGAL SECTION

APPLICATION FOR INJECTION WELL - 1-4-2012
 D-31,068 Top of salt approx. 1100' max surface casing 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: **7-10-12** Signature of Operator or Agent:

Title: Vice President - Land

For KCC Use ONLY
 API # 15 - **033-21656-0000**
 Conductor pipe required **None** feet
 Minimum surface pipe required **340** feet per ALT. I II
 Approved by: **[Signature]** **7-12-2012**
 This authorization expires: **7-12-2013**
 (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 GDP-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

7
32
17
 E
 W

JUL 11 2012

LEGAL SECTION

For KCC Use ONLY
API # 15 - 033-21656-0000

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 SWD
Field: none
Number of Acres attributable to well: N/A
QTR:QTR/QTR/QTR of acreage: NW - SE - SE - SE

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

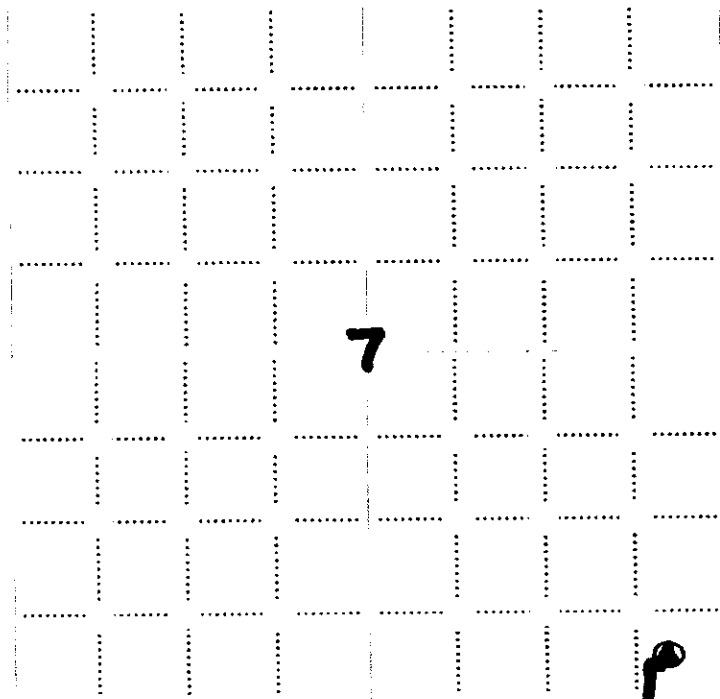
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

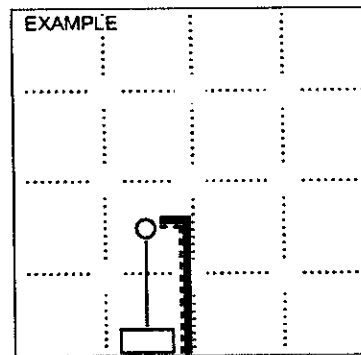
PLAT

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



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: (CD-7 for oil wells; CG-8 for gas wells)
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

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**

15033-21656-0000

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:
NW SE SE SE Sec 7 Twp. 32 S. R. 17 East West
County: Comanche
Lease Name: Brown-Todd Well #: #1 SWD
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: Reeder Operating, LLC
Address 1: 4925 Greenville Avenue, Suite 1400
Address 2:
City: Dallas State: TX Zip: 75206

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.

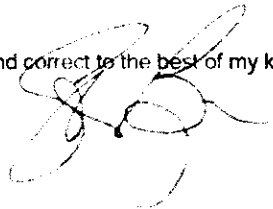
Select one of the following:

- 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: 7-10-12 Signature of Operator or Agent:



Title: Vice President - Land

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JUL 11 2012

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

LEGAL SECTION

JUL 11 2012

15-033-21656-0000

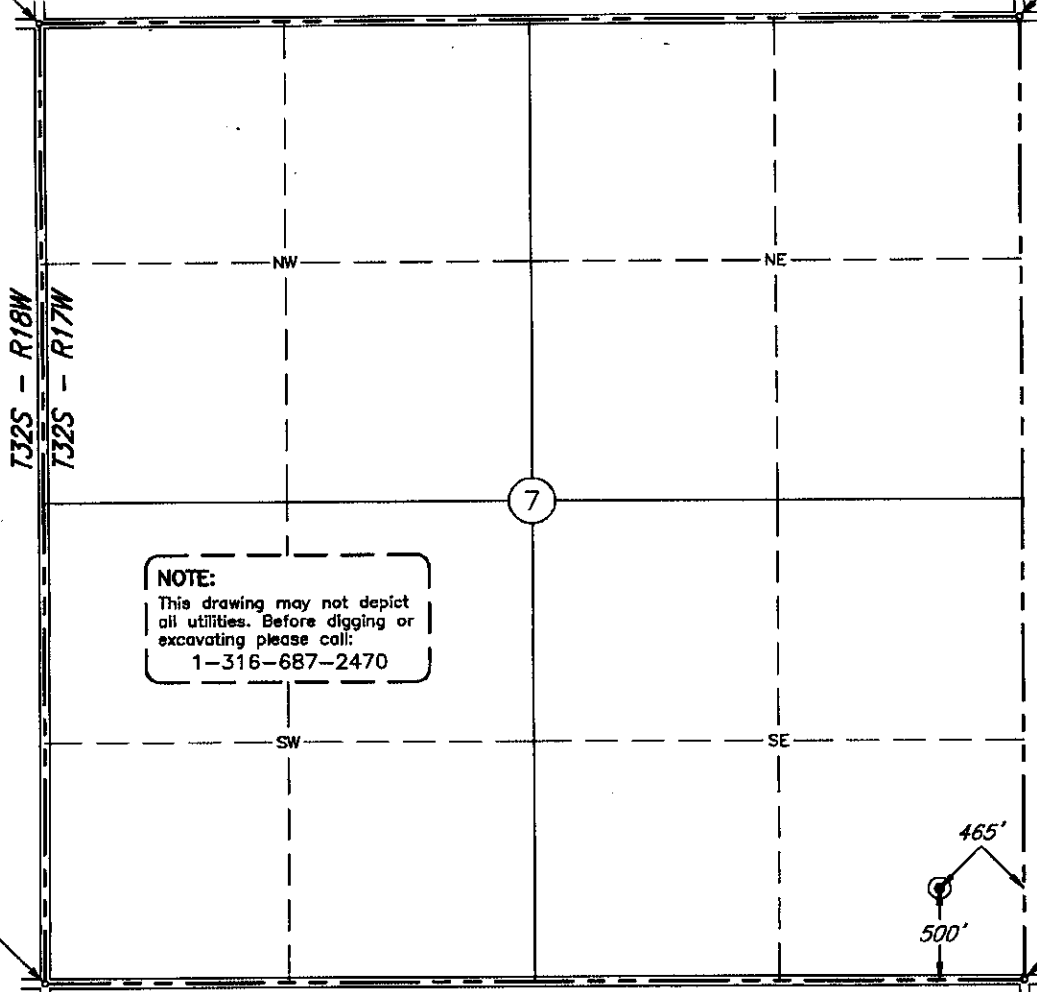
LEGAL SECTION

COMANCHE County, Kansas

500'FSL - 465'FEL Section 7 Township 32S Range 17W I.M.

Y: 1536924.381N
X: 1103073.096E

Y: 1536930.471N
X: 1108265.210E



NOTE:
This drawing may not depict
all utilities. Before digging or
excavating please call:
1-316-687-2470

Y: 1531654.313N
X: 1103048.660E

Y: 1531643.282N
X: 1108192.883E

Scale: 1" = 1000'

Date Staked: June 25, 2012

GPS Observation: Latitude 37°16'05.592" N
Longitude 99°12'11.107" W

State Plane NAD83 Y: 1532145.441N
Kansas South Zone: X: 1107735.109E

Operator: REEDER OPERATING

Elevation: 2075'

Lease Name: BROWN TODD

Well No.: 1-7

Topography & Vegetation: _____

Alternate Location Stakes Set: No

Good Drill Site? Yes

Best Accessibility to Location: From the South Line

Distance & Direction

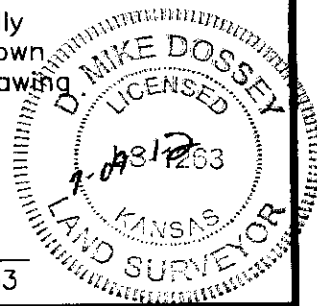
from Hwy Jct or Town: From the Junction of U.S. Highway 183 & U.S. Highway 160;

Thence east along U.S. Highway 160 6 miles; Thence south 1 mile; Thence east 1 mile
to the Southeast Corner of Section 7.

SURVEYOR'S CERTIFICATE:

I, D. MIKE DOSSEY, Registered Professional Land Surveyor, No. 1263 do hereby certify that the above described well location was carefully staked on the ground as shown and that all ties and distances shown are from existing lines of occupation. No corners were set. This drawing is not intended to be used as a land or boundary survey.

D. MIKE DOSSEY 1530 S.W. 89th St., C-3, OKC, OK 73159 405-692-7348



JOB NO.:	1214107				
DATE:	07/09/12				
DRAWN BY:	RLK	NO.	REVISION	DATE	BY

D. Mike Dossey
D. MIKE DOSSEY R.P.L.S. # 1263

JUL 11 2012

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

Form GCP-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 SWD		Pit Location (QQQQ): NW SE SE SE	
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 (bbls)	Sec. 7 Twp. 32 R. 17 East <input type="checkbox"/> West <input checked="" type="checkbox"/> 450 Feet from North / <input checked="" type="checkbox"/> South Line of Section 515 Feet from <input checked="" type="checkbox"/> East / West Line of Section Comanche County	
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits): 150 Length (feet) 75 Width (feet) N/A: Steel Pits		Depth from ground level to deepest point: 6 (feet) 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: 333 feet Depth of water well 160 feet		Depth to shallowest fresh water 55 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> DWR	
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.			
7-10-12 Date		 Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: 7-12-12 Permit Number: _____		Permit Date: 7-12-12 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<input checked="" type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS			

15-033-2165 6-0000

**NOTICE TO OPERATORS FILING INTENT TO DRILL
FOR DISPOSAL OR ENHANCED RECOVERY
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in **K.A.R. 82-3-400 et seq** of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.

July 12, 2012

Reeder Operating, LLC
4925 Greenville Ave Ste 1400
Dallas, TX 75013

Re: Drilling Pit Application
Brown-Todd Lease Well No. 1 SWD
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 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 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.

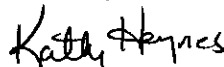
If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

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 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