Berexco Wellington KGS #2-32 650 ft at 7 am 3-22-15

drilling cement plug at base of surface casing

- Spudded well 7 am on Friday 3-20-15 with Fossil Drilling Rig #3
- Drilled 140 ft and set conductor pipe
- 12 ¾ inch hole to 650 ft. (depth of surface casing)
- Samples will be caught from base of conductor pipe to TD
- Halliburton ran GR, SP, Caliper, Фneutron, Фdensity, p-wave sonic, microlog, Array resistivity to 650 ft. prior to running surface casing

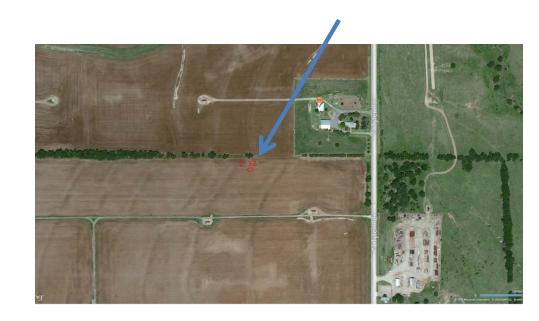


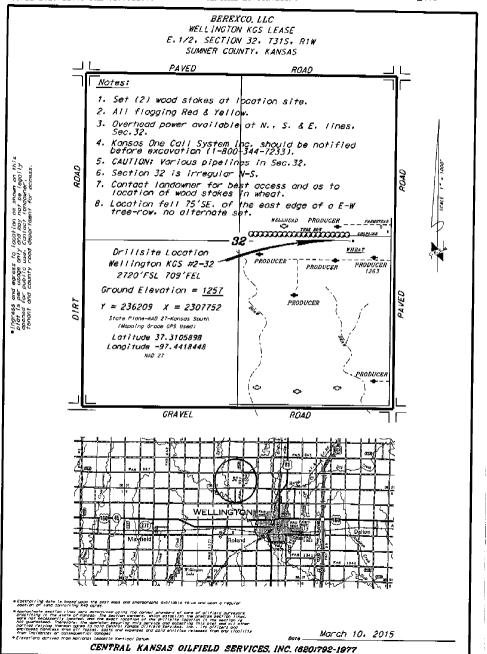
Berexco Wellington KGS #2-32

Wellington KGS 2-32
NE NW NE SE 32-31S-1W
Sumner County, KS
API Number: 15-191-22770

Estimated Tops:

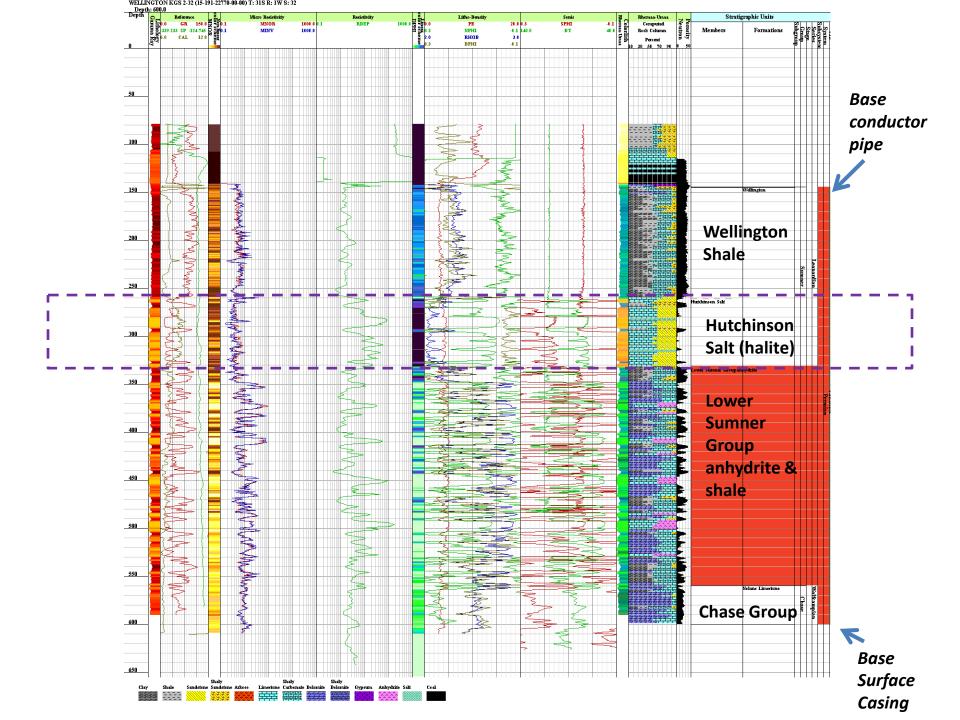
90'
410
590'
40'
75 '
ŀ55'
510′
660'



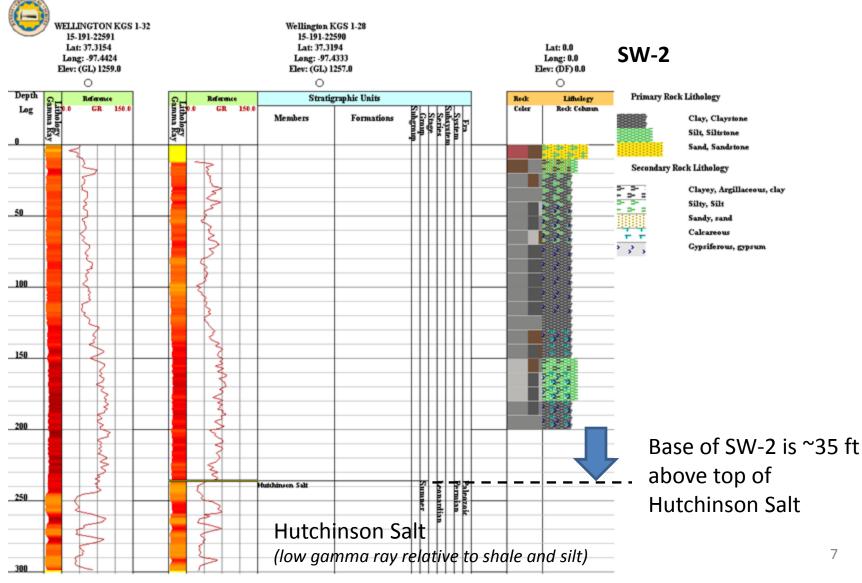


Anticipated schedule

- Tuesday
 - reach core point at top of Mississippian
- Wednesday
 - coring
- Thursday
 - drilling to TD and running Drill Stem Test
- Friday
 - Logging TD to base of surface casing.



Gamma ray and sample log cross section between KGS #1-32, KGS #1-28, and SW-2 (shallow water well) datum = ground level





For KCC Use:
Effective Date: 03/23/2015
District # 2
SGA? Xyes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1245593

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.

xpected Spud Date:	03/19/2015			Spot Description:	
Apostou opud Dato.	month	day	year	NE - NW - NE - SE Sec. 32 Twp. 31 S	. R1 E 🔀 W
PERATOR: License# lame: BEREXCO LLC	34318			(Q ^(Q/Q/Q) 2680 feet from N 709 feet from ⊠ N E	S Line of Section W Line of Section
ddress 1: 2020 N. Bram	blewood			Is SECTION: Regular X Irregular?	_
	State: KS	Zip: _6720	6 + 1094	(Note: Locate well on the Section Plat on rec	verse side)
ontact Person: Dana W	reath				Well #:_2-32
hone: 316-265-3311				Field Name: Wellington	
ONTRACTOR: License	34484			Is this a Prorated / Spaced Field? Target Formation(s): Mississippi	Yes XNo
Well Drilled For: ☐Oil ☑Enh	Well Class:		<i>quipment:</i> ud Rotary	Nearest Lease or unit boundary line (in footage): 1931 Ground Surface Elevation: 1257 Surveyed	feet MSL
Gas Stora	age Pool Ex	kt. Ai	r Rotary able	Water well within one-quarter mile: Public water supply well within one mile:	Yes X No
Seismic ;#		. <u> </u>		Depth to bottom of fresh water: 60 Depth to bottom of usable water: 230	
If OWWO: old well	ll information as follo	ws:		Surface Pipe by Alternate: I II Length of Surface Pipe Planned to be set: 600	
Operator:				Length of Conductor Pipe (if any): 120	
Well Name:				Projected Total Depth: 3815	
Original Completion D	ate: C	Original Total De	epth:	Formation at Total Depth: Mississippi	
irectional, Deviated or H			Yes∑ No	Water Source for Drilling Operations: Well Farm Pond Other: unknown - haul	
ottom Hole Location: CC DKT #:				DWR Permit #:	
Top of salt at 225 fe	et. OK to run s			If Yes, proposed zone: Mississippi	∑Yes No
san section once c	onductor is set.		AFFI	DAVIT	

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;
- 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 "5" - Eastern Kanasa 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, NOTEY district office prior to any cementing.

Submitted Electronically

For KCC Use ONLY	
API # 15 - 15-191-22770-00-00	
Conductor pipe required 80	feet
Minimum surface pipe required 220	feet per ALT. X III
Approved by: Rick Hestermann 03/18/	2015
This authorization expires: 03/18/2016	
(This authorization void if drilling not started within	12 months of approval date.)
Spud date: Agent:	

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

Remember to:

File Certification of Compliance with the Kansas Surface Owner Notification	5
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;	ب
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);	-

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)
places chart the boy below and return to the address below.

please check the box below and return to the ad		
Well will not be drilled or Permit Expired Signature of Operator or Agent:	Date:	

0/4- 7



For KCC Use ONLY

API # 15 - 15-191-22770-00-00

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: BEREXCO LLC Lease: Wellington KGS Well Number: 2-32 Field: Wellington	Location of Well: County: Summer 2680
Number of Acres attributable to well:	Is Section: Regular or Imegular
	If Section is Irregular, locate well from nearest corner boundary. Section corner used: NENWSSESSW

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, pipellines 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
 		3	2		 	- 709 ft
 					 	1980'FSL
 	locate the				 	SEWARD CO. 3390' FEL

In platting the proposed location of the well you must show

2680 ft.

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

- The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, A coefficient etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- The distance to the nearest lease or unit boundary line (in footage).
- If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION 1245593
OIL & GAS CONSERVATION DIVISION

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate						
Operator Name: BEREXCO LLC		License Number: 34318				
Operator Address: 2020 N. Brambl	ewood	Wichita KS 67206				
Contact Person: Dana Wreath		Phone Number: 316-265-3311				
Lease Name & Well No.: Wellington K	GS 2-3	2	Pit Location (QQQQ):			
Type of Pit:	Pit is:		NE _ NW _ NE _ SE			
Emergency Pit Burn Pit	X Proposed	Existing	Sec32_Twp31R1			
Settling Pit X Drilling Pit	If Existing, date co	nstructed:	2680 Feet from North / South Line of Section			
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity: 7000	(bbls)				
Is the pit located in a Sensitive Ground Water A	urea? ⊠ Yes □	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)			
Is the bottom below ground level? XYes No	Artificial Liner?	No	How is the pit lined if a plastic liner is not used? Mud seal with Bentonite Clay in freshwater drilling mud, native mud and clay.			
Pit dimensions (all but working pits):	00 Length (fee	et)100	Width (feet)N/A: Steel Pits			
Depth fro	om ground level to dee	epest point:	(feet)			
Distance to nearest water well within one-mile	of pit:	Depth to shallo Source of infor	west fresh water feet.			
N/A feet Depth of water well	feet	measured	well owner electric log KDWR			
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	over and Haul-Off Pits ONLY:			
Producing Formation:		Type of materia	al utilized in drilling/workover: Freshwater Bentonite/chemical mud.			
Number of producing wells on lease:			king pits to be utilized:			
Barrels of fluid produced daily:		Abandonment	procedure: sides and backfill with drill outlings in place. Finally level to contour of surrounding terrain, as close as possible to it's natural state.			
Does the slope from the tank battery allow all s flow into the pit? Yes No	pilled fluids to	Drill pits must l	pe closed within 365 days of spud date.			
Submitted Electronically						
KCC OFFICE USE ONLY ☐ Liner ☐ Steel Pit ☑ RFAC ☐ RFAS						
Liner						

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



KANSAS CORPORATION COMMISSION 1245593
OIL & GAS CONSERVATION DIVISION

Form KSONA-1
January 2014
Form Must Be Typed
Form must be Signed
All blanks must be Filled

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

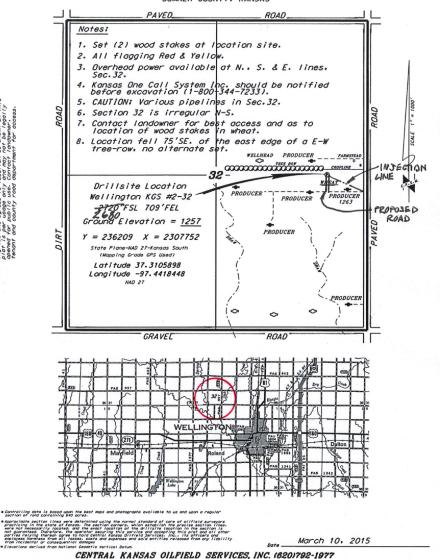
This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Charge of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 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 # 34318	Well Location:			
Name: BEREXCO LLC	NE_NW_NE_SE_Sec. 32_Twp. 31_S. R. 1East XWest			
Address 1: 2020 N. Bramblewood	County: Sumner			
Address 2:	Lease Name: Wellington KGS Well #: 2-32			
City: Wichita State: KS Zip: 67206 + 1094	If filing a Form T-1 for multiple wells on a lease, enter the legal description of			
Contact Person: Dana Wreath	the lease below:			
Phone: (316) 265-3311 Fax: (316) 681-4731				
Email Address: _dwreath@berexco.com				
Surface Owner Information:				
Name: Jack Glaves	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			
Address 1: Board of Trade Bldg. Address 2: 155 N. Market, Suite 1050 City: Wichita State: KS Zip: 67202 + 1829	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.			
Address 2: 155 N. Market, Suite 1050				
City: VICHITA State: KS Zip: 67202 + 1629				
Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be to CP-1 that I am filing in connection with this form; 2) if the form form; and 3) my operator name, address, phone number, fax, at I have not provided this information to the surface owner(s). I at KCC will be required to send this information to the surface ow task, I acknowledge that I must provide the name and address that I am being charged a \$30.00 handling fee, payable to the Research	ocated: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form being filled is a Form C-1 or Form CB-1, the plat(s) required by this not email address. cknowledge that, because I have not provided this information, the wner(s). To mitigate the additional cost of the KCC performing this of the surface owner by filling out the top section of this form and KCC, which is enclosed with this form.			
If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-	fee with this form. If the fee is not received with this form, the KSONA-1 1 will be returned.			
Submitted Electronically				
Į.	-			

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

BEREXCO, LLC WELLINGTON KGS LEASE E.1/2, SECTION 32, T315, R1W SUMNER COUNTY, KANSAS





Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 67202-1513

Shari Feist Albrecht, Chair Jay Scott Emler, Commissioner Pat Apple, Commissioner Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Sam Brownback, Governor

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.

Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 67202-1513



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

Sam Brownback, Governor

Shari Feist Albrecht, Chair Jay Scott Emler, Commissioner Pat Apple, Commissioner

March 18, 2015

Dana Wreath BEREXCO LLC 2020 N. Bramblewood Wichita, KS 67206-1094

Re: Drilling Pit Application Wellington KGS 2-32 SE/4 Sec.32-31S-01W Sumner County, Kansas

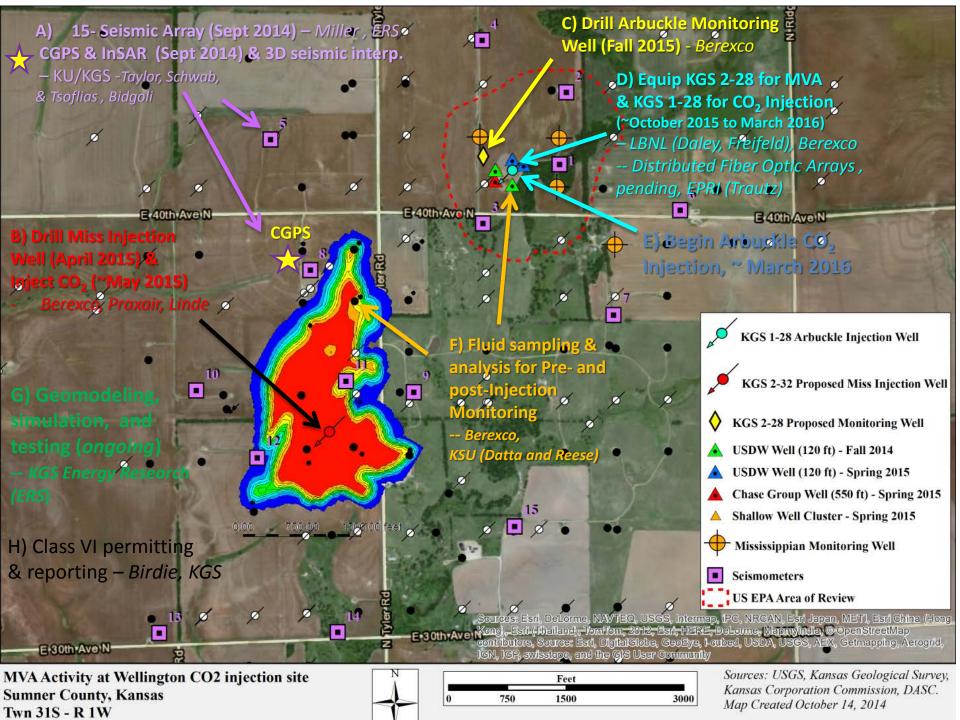
Dear Dana Wreath:

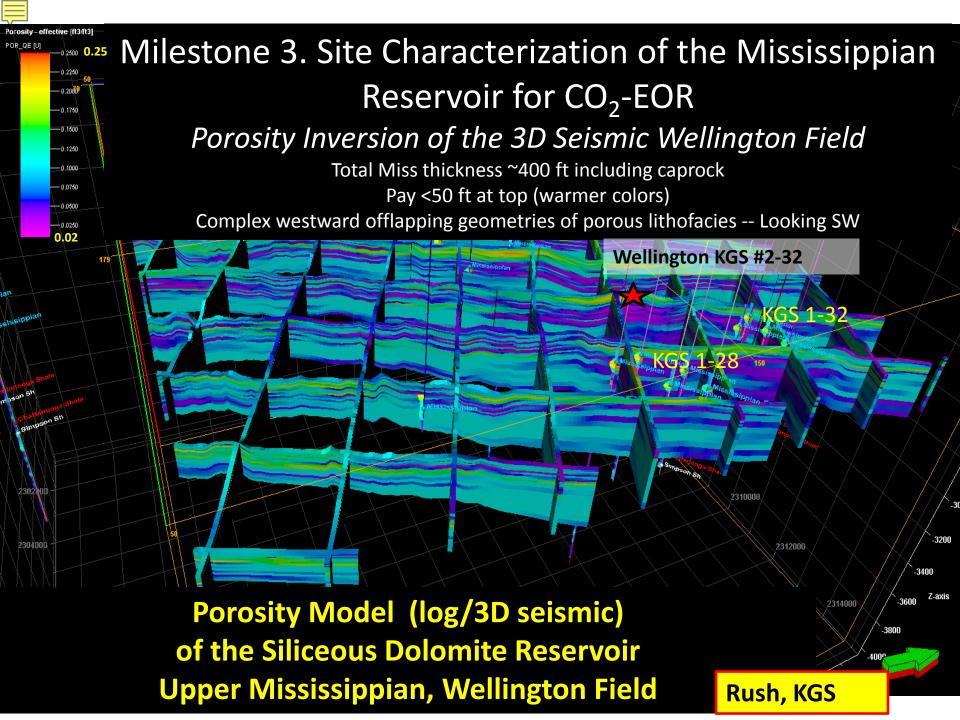
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit within 2 weeks of completion of drilling operations.

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.

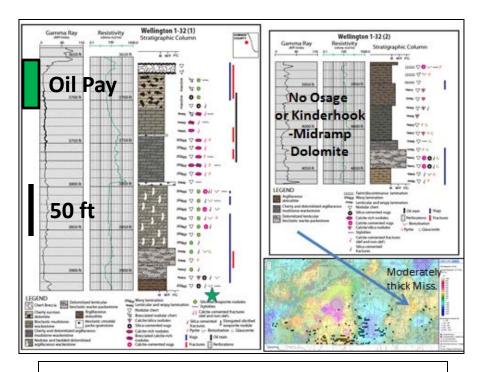
The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

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 District Office at (316) 630-4000.

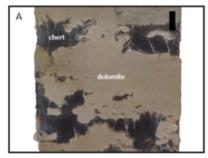


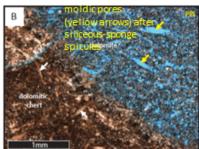


Milestone 3. Site Characterization of the Mississippian



Cherty Sucrosic Dolomite Sedimentary Features Have Been Masked During Dolomitization

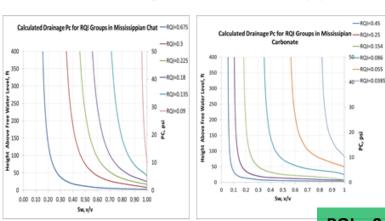




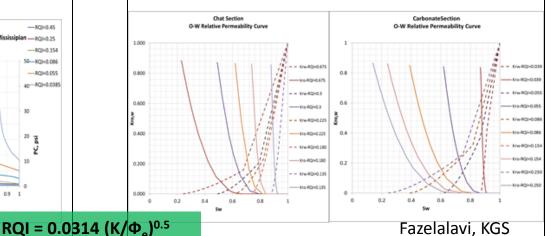
Convoluted dark gray chert nodules are scattered in the matrix and appear autobrecciated

Montalvo, KU & Barker, KSU

Drainage Capillary Pressure Curves for Each RQI Range in the Mississippian



Relative Permeability Curves for Each RQI Range in the Mississippian



NW-SE PSDM Seismic Profile Mississippian Oil Reservoir

Projected Through 5-Spot Injection (CO₂-EOR) & Wellington KGS #2-32 (star)

