

OWWO

For KCC Use:
Effective Date: 12-8-07
District #: 2
SGA? [X] Yes [ ] No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007
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

Expected Spud Date: 11-24-07
month day year

Spot Description:
SE - SE - NW Sec. 15 Twp. 34 S. R. 3 [X] E [ ] W
2310 feet from [X] N / [ ] S Line of Section
2310 feet from [ ] E / [X] W Line of Section

OPERATOR: License# 5558
Name: Dawson-Markwell Exploration
Address 1: P.O. Box 2446

Is SECTION: [X] Regular [ ] Irregular?

Address 2:
City: Oklahoma State: OK Zip: 73101

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

Contact Person: Tripp Markwell
Phone: 405-232-0418

County: Cowley

CONTRACTOR: License# 5495
Name: McPherson Drilling

Lease Name: Snyder Well #: 3

Field Name: Harvey

Is this a Prorated / Spaced Field? [ ] Yes [X] No

Target Formation(s): Bartlesville

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

Ground Surface Elevation: 1087 feet MSL

Water well within one-quarter mile: [ ] Yes [X] No

Public water supply well within one mile: [ ] Yes [X] No

Depth to bottom of fresh water: 120

Depth to bottom of usable water: 200.300

Surface Pipe by Alternate: [ ] [X] 64

Length of Surface Pipe Planned to be set: 230 - previously set

Length of Conductor Pipe (if any):

Projected Total Depth: 3270

Formation at Total Depth: Bartlesville

Water Source for Drilling Operations:

[ ] Well [ ] Farm Pond [X] Other: Truck

DWR Permit #: (Note: Apply for Permit with DWR [ ])

Will Cores be taken? [ ] Yes [X] No

If Yes, proposed zone:

Well Drilled For: [X] Oil [ ] Gas [ ] Seismic; # of Holes [ ] Other
Well Class: [X] Infield [ ] Pool Ext. [ ] Wildcat [ ] Other
Type Equipment: [ ] Mud Rotary [X] Air Rotary [ ] Cable

[X] If OWWO: old well information as follows:

Operator: Mcneish & Gralapp

Well Name: Snyder #3

Original Completion Date: 4-18-53 Original Total Depth: 3270

Directional, Deviated or Horizontal wellbore? [ ] Yes [X] No

If Yes, true vertical depth:

Bottom Hole Location:

KCC DKT #:

Surface casing exception granted

AFFIDAVIT

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NOV 16 2007

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 correct to the best of my knowledge and belief.

Date: 11-14-07 Signature of Operator or Agent: [Signature] Title: VP

For KCC Use ONLY
API # 15 - 035-02556-00-02
Conductor pipe required None feet
Minimum surface pipe required 64 feet per ALT. [ ] [X]
Approved by: [Signature]
This authorization expires: 12-3-08
Spud date: Agent:

Remember to:

- 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 this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

[ ] Well Not Drilled - Permit Expired Date: Signature of Operator or Agent:

15 34 3 1/2

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

*Plat of acreage attributable to a well in a prorated or spaced field*

*If the intended well is in a prorated or spaced field, please fully complete this side of the form.* If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - 035-02556 - 00-02  
 Operator: Dawson-Markwell Explorstion  
 Lease: Snyder  
 Well Number: 3  
 Field: Harvey  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - SE - SE - NW

Location of Well: County: Cowley  
 \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 15 Twp. 34 S. R. 3  E  W

Is Section:  Regular or  Irregular

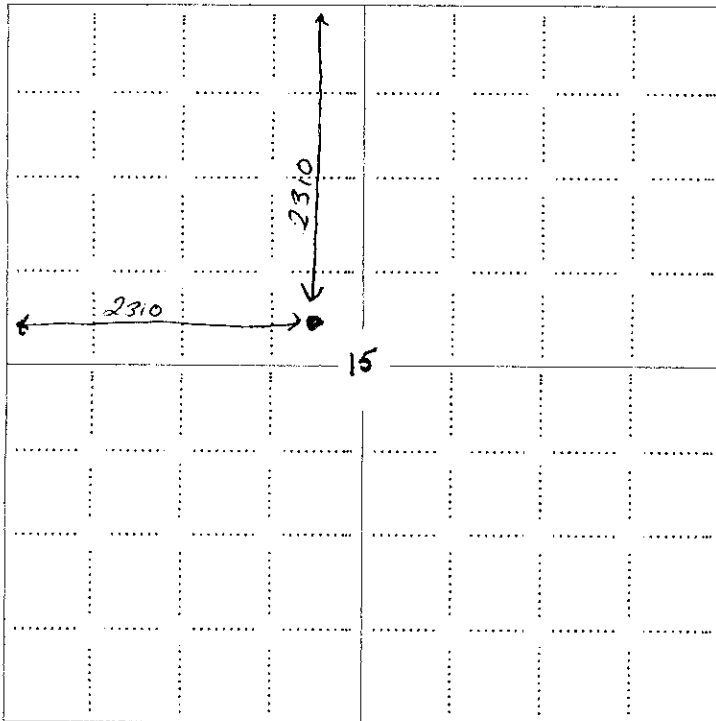
**If Section is irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

**PLAT**

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)*

*(Show footage to the nearest lease or unit boundary line.)*

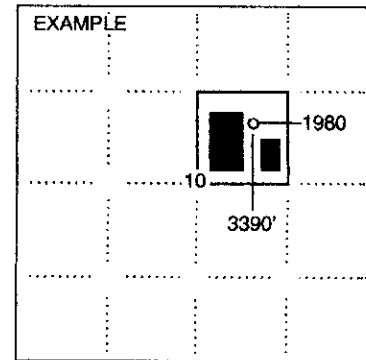


**NOTE: In all cases locate the spot of the proposed drilling location.**

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CONSERVATION DIVISION  
 WICHITA, KS



SEWARD CO.


**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).

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

Form CDP-1  
April 2004  
Form must be Typed

*Submit In Duplicate*

Operator Name: <u>Dawson-Markwell Exploration</u>		License Number: <u>5558</u>
Operator Address: <u>P.O. Box 2446 Oklahoma City, OK. 73101</u>		
Contact Person: <u>Tripp Markwell</u>		Phone Number: <u>405-232-0418</u>
Lease Name & Well No.: <u>Snyder # 3</u>		Pit Location (QQQQ): <u>SE SE NW</u>
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 checked="" 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: <u>60</u> (bbbls)	Sec. <u>15</u> Twp. <u>34S</u> R. <u>3</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>2310</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>2310</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>Cowley</u> County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): <u>20</u> Length (feet) <u>10</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>4</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>N/A</u> feet    Depth of water well <u>N/A</u> feet	Depth to shallowest fresh water <u>60</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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	<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>Fresh Water</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Haul Fluids &amp; Let dry, backfill native soil</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.		<b>RECEIVED</b> KANSAS CORPORATION COMMISSION
<u>11-14-07</u> Date	 Signature of Applicant or Agent	<b>NOV 16 2007</b> CONSERVATION DIVISION WICHITA, KS
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>11/16/07</u> Permit Number: _____	Permit Date: <u>11/27/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input checked="" type="checkbox"/> <u>72</u>

15-035-02556-03-02

API NUMBER N/A  
 LEASE NAME Snyder  
 WELL NUMBER #3 SWD  
 SPOT LOCATION SE NW 1/4  
 SEC. 15 TWP. 34 RGE. 3 (E) or (W)  
 COUNTY Cowley  
 Date Well Completed 4-18-83  
 Plugging Commenced 7-18-86  
 Plugging Completed 7-19-86

TYPE OR PRINT  
 NOTICE: Fill out completely  
 and return to Cons. Div.  
 office within 30 days.

LEASE OPERATOR McNeish Oil Operator  
 ADDRESS Box 734 Winfield KS 67156  
 PHONE # (316) 221-4870 OPERATORS LICENSE NO. 6710

Character of Well Input  
 (Oil, Gas, D&A, ~~Water~~ Input, Water Supply Well)

Did you notify the KCC/KDHE Joint District Office prior to plugging this well? Yes  
 Which KCC/KDHE Joint Office did you notify? Dist #2  
 Is ACO-1 filed? --- If not, is well log attached? Yes

Producing formation Bertlesville Depth to top 3273' bottom 3291' T.O. 3298'

Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS | CASING RECORD

Formation	Content	From	To	Size	Put In	Pulled out
				103/4"	64'	none
				7"	3328'	none

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used state, the character of same and depth placed, from feet to feet each set.  
Set a Pack Bridge from 325' to 300' inside 7" well w/ chat to 3220' and 10 5/8" Cent  
Run 1" down between 7" + 10 5/8" to 230' Circulated Cent  
Pulled 1" and ran 1" down inside 7" to 300' Circulated Cent to top  
Pulled 1" out. Halliburton Ticket # 356314 approx. 135 5/8" Cent  
 (If additional description is necessary, use BACK of this form.)

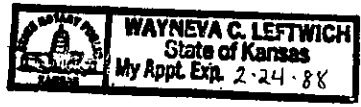
Name of Plugging Contractor B+S Well Service Inc. License No. 6013  
 Address Box 837 Winfield KS 67156

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STATE OF Kansas COUNTY OF Cowley NOV 16 2007

Dale Smith RECEIVED (employee of operator) of above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed that the same are true and correct, so help me God.

(Signature) [Signature]  
 (Address) Winfield, KS.



JUL 23 1986  
 SUBSCRIBED AND SWORN TO before me this 21<sup>st</sup> day of July, 1986

Wayne C. Leftwich  
 Notary Public

My Commission expires: February 24, 1988



*Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner*

November 27, 2007

Mr. Tripp Markwell  
Dawson-Markwell Exploration  
PO Box 2446  
Oklahoma City, OK 73101

Re: Drilling Pit Application  
Snyder Lease Well No. 3  
NW/4 Sec. 15-34S-03E  
Cowley County, Kansas

Dear Mr. Markwell:

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 72 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 (316) 630-4000 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](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

cc: File

November 28, 2007

Kansas Corporation Commission  
Oil & Gas Conservation Division  
130 S. Market, Room 2078  
Wichita, KS 67202-3802

Attention: Rick Hestermann

Dawson-Markwell hereby requests a Table 1 exception on the Snyder #3 in Cowley County, Kansas. The legal description is NW/4 Section 15-34S-3E. This is a re-entry and the previous operator originally ran 230 feet of one-inch down the backside.

Thanks,



Tripp Markwell

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CONSERVATION DIVISION  
WICHITA, KS

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

November 30, 2007

Dawson-Markwell Exploration  
P.O. Box 2446  
Oklahoma City, OK 73101

**RE: Exception to Table 1 Minimum Surface Casing Requirements for the  
Snyder #3, 2310' FNL & 2310' FWL, Sec. 15-T34S-R3E  
Cowley County, Kansas**

Dear Mr. Markwell,

The Kansas Corporation Commission has received your request, dated November 28, 2007, for an exception to Table 1 surface pipe requirements for the above-referenced well, which was plugged in 1986 by McNeish Oil Operations. From your request, the KCC understands that Dawson-Markwell Exploration desires to re-enter this well, which has 68 feet of surface pipe set. The 7" casing next to the borehole was cemented from 230' back to the surface at the time the well was plugged in 1986. The Table 1 minimum surface pipe requirement surface pipe setting depth for wells drilled in this portion of Cowley County is 300 feet. The surface pipe set and additional cementing of the 7" casing in this plugged well does not meet the present surface pipe setting depth requirements.

After review of this matter by technical staff it was determined that:

1. Bedrock at this location is the Permian Sumner Group.
2. Depth to bedrock is approximately 20 feet.
3. The depth of the deepest water well of record within a two-mile radius is 110 feet.
4. The existing 68 feet of surface casing and additional cementing of the 7" casing from 230' back to surface at the time of plugging in 1986 adequately protects fresh and usable ground water at this location.

Based on this information, an exception is granted for the Table 1 Minimum Surface Casing Requirements with the following stipulation:

1. In the event the well is dry and no additional production pipe has been cemented in-place, plugging will be performed according to KCC rules per KCC District #2 requirements.

Very Sincerely Yours,



Doug Louis  
Director

cc: Steve Bond – Production *SB*  
Jeff Klock – District 2 *JK*