

O W W D

For KCC Use: 7-6-2009
Effective Date: _____
District # _____
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Form C-1
October 2007
Form must be Typed
Form must be Signed
All blanks must be Filled

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: 7 / 10 / 2009
month / day / year

OPERATOR: License# 30337
Name: Special Energy Corporation
Address 1: P O Drawer 369
Address 2: _____
City: Stillwater State: OK Zip: 74076
Contact Person: Gary Bond
Phone: 405-377-1177
CONTRACTOR: License# 33132
Name: Dan D Drilling

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Well Drilled For: Oil Gas Seismic; # of Holes _____
 Other: Re-Entry and Wash Down of P&A well
Well Class: Enh Rec Storage Disposal Infield Pool Ext. Wildcat Other _____
Drilling Equipment: Mud Rotary Air Rotary Cable

If OWWO: old well information as follows:
Operator: Chapman Energy, Inc.
Well Name: McDermet #1
Original Completion Date: 12-12-84 Original Total Depth: 5275'

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

Spot Description: _____
C NE/4 NE/4 Sec. 18 Twp. 29 S. R. 20 E W
(O.G./O.O.) 660 feet from N / S Line of Section
660 feet from E / W Line of Section
Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Kiowa
Lease Name: McDermet SWD Well #: 1
Field Name: Wickland

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle
Nearest Lease or unit boundary line (in footage): 660'
Ground Surface Elevation: 2407 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: 180' 210'
Depth to bottom of usable water: 320'
Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: N/A - 600' existing
Length of Conductor Pipe (if any): N/A
Projected Total Depth: 6775'
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: _____

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 correct to the best of my knowledge and belief.

Date: 6-29-2009 Signature of Operator or Agent: [Signature] Title: Vice President

For KCC Use ONLY
API # 15 - 097-21082-00-01
Conductor pipe required None feet
Minimum surface pipe required 600 feet per ALT: I II
Approved by: [Signature] 7-1-2009
This authorization expires: 7-1-2010
(This authorization void if drilling not started within 12 months of approval date.)
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: _____

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

18
29
20
 E
 W

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 - 097-21082-00-01

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section
_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

Is Section: Regular or Irregular

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

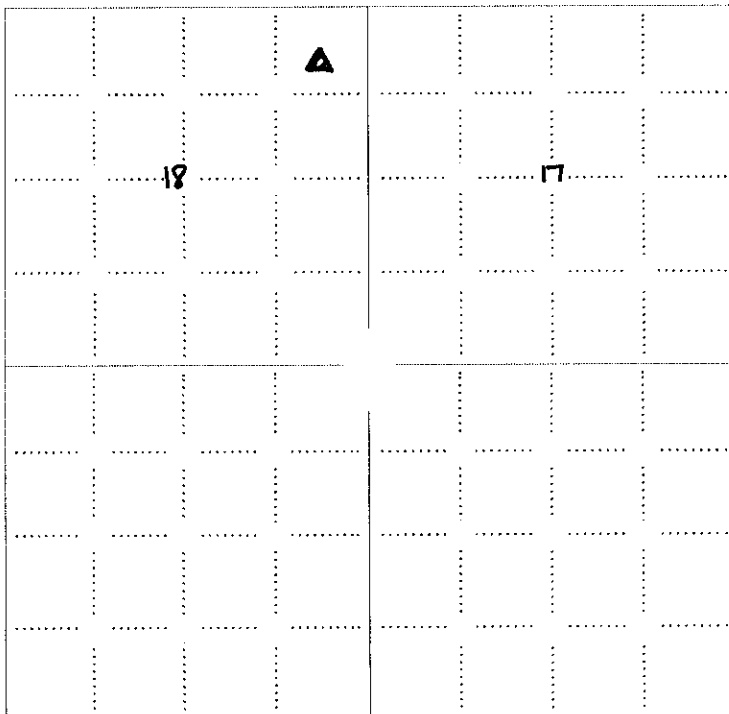
Section corner used: NE NW SE SW

PLAT

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

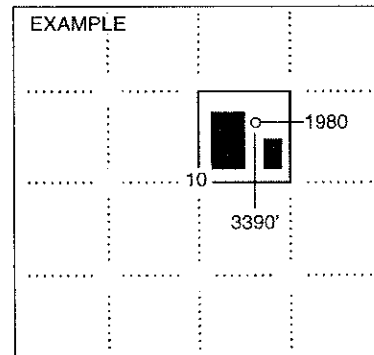
(Show footage to the nearest lease or unit boundary line.)

20W



29S

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SEWARD CO.

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

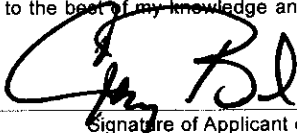
In plotting the proposed location of the well, you must show:

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: (C0-7 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: Special Energy Corporation		License Number: 30337	
Operator Address: P O Drawer 369		Stillwater OK 74076	
Contact Person: Gary Bond		Phone Number: 405-377-1177	
Lease Name & Well No.: McDermet SWD 1		Pit Location (QQQQ): NE NE NE NE Sec. <u>18</u> Twp. <u>29</u> R. <u>20</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>200</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>200</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Kiowa County	
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: 30,000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
How is the pit lined if a plastic liner is not used? Native Soil			
Pit dimensions (all but working pits): <u>250</u> Length (feet) <u>125</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>5</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>328</u> feet Depth of water well <u>200</u> feet		Depth to shallowest fresh water <u>142</u> feet Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" 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>Drying</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>6-29-2009</u> Date		 Signature of Applicant or Agent	

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15-097-21082-00-01

KCC OFFICE USE ONLY

Steel Pit RFAC RFAS

Date Received: 7/1/09 Permit Number: _____ Permit Date: 7/1/09 Lease Inspection: Yes No

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

OF KANSAS
CORPORATION COMMISSION
Colorado Derby Building
Wichita, Kansas 67202

WELL PLUGGING RECORD
K.A.R.-82-3-117

API NUMBER 15-097-21,082-0000

LEASE NAME McDermet

WELL NUMBER 1

SPOT LOCATION C NE NE

SEC. 18 TWP. 29 RGE. 20 (X) or (W)

COUNTY Kiowa

Date Well Completed 12-12-84

Plugging Commenced 12-12-84

Plugging Completed 12-12-84

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

LEASE OPERATOR Chapman Energy, Inc.

ADDRESS 120 South Market Suite 320 Wichita, KS. 67202

PHONE # (316) 262-1191 OPERATORS LICENSE NO. 9869

Character of Well D&A
(Oil, Gas, D&A, SWD, 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? Dodge City, Kansas

Is ACO-1 filed? yes If not, is well log attached? _____

Producing formation _____ Depth to top _____ bottom _____ T.D. 5275

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

OIL, GAS OR WATER RECORDS

CASING RECORD

857' 2600'

Formation	Content	From	To	Size	Put in	Pulled out

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. Plugged well with 125 sxs 60/40 poz, 3%cc as follows: 1350' - 50 sxs; 630' - 40 sxs; 40' - 10 sxs; rathole - 10 sxs; mousehole - 10 sxs; water well - 5 sxs. Job by Halliburton, ticket #994958. Complete at 8:45pm on December 12, 1984.

(If additional description is necessary, use BACK of this form.)

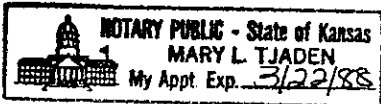
Name of Plugging Contractor Wheatstate Oilfield Services, Inc. License No. 5149

Address P.O. Box 329 Pratt, Kansas 67124

STATE OF KANSAS COUNTY OF PRATT, ss.

Arnie Little (employee of operator) or (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) Arnie Little
(Address) P.O. Box 329 Pratt, KS. 67124



SUBSCRIBED AND SWORN TO before me this 26 day of Dec., 1984

Mary L. Tjaden
Notary Public

My Commission expires: 3/22/88



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

**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.