

For KCC Use:

Effective Date: 8-12-2009District # 1SGA? ☐ Yes ☒ NoKANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1

October 2007

Form must be Typed

Form must be Signed

All blanks must be Filled

Expected Spud Date: 9/15/2009
month day yearOPERATOR: License# 30337Name: Special Energy CorporationAddress 1: P.O. Drawer 369

Address 2: _____

City: Stillwater State: OK Zip: 74076 + _____Contact Person: Gary BondPhone: 405-377-1177CONTRACTOR: License# 33132Name: Dan D. Drilling

Well Drilled For:

Well Class:

Type Equipment:

☒ Oil ☐ Enh Rec ☐ Infield ☒ Mud Rotary
☒ Gas ☐ Storage ☐ Pool Ext. ☐ Air Rotary
☐ Disposal ☐ Wildcat ☐ Cable
☐ Seismic ; # of Holes ☒ Other
☒ Other: Horizontal test of the lower Mississippian

☐ If OWWO: old well information as follows:

Operator: _____

Well Name: _____

Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? ☒ Yes ☐ NoIf Yes, true vertical depth: 5100'Bottom Hole Location: Center SW/4 SW/4 SE/4 18-29S-20W*KCC DKT #: 10-CONS-002-CHOR

Spot Description: _____

SE/4 - NE/4 - NE/4 - NE/4 Sec. 18 Twp. 29 S. R. 20 ☐ E ☒ W
(a/a/a/a) 405 feet from ☒ N / ☐ S Line of Section185 feet from ☒ E / ☐ W Line of SectionIs SECTION: ☒ Regular ☐ Irregular?

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

County: KiowaLease Name: Bill Well #: 1-HField Name: WestlandIs this a Prorated / Spaced Field? ☐ Yes ☒ NoTarget Formation(s): Mississippian* Nearest Lease or unit boundary line (in footage): 185'Ground Surface Elevation: 2401' feet MSLWater well within one-quarter mile: ☒ Yes ☐ NoPublic water supply well within one mile: ☐ Yes ☒ NoDepth to bottom of fresh water: 200'Depth to bottom of usable water: 320'Surface Pipe by Alternate: ☒ I ☐ IILength of Surface Pipe Planned to be set: 600'

Length of Conductor Pipe (if any): _____

Projected Total Depth: 5100' TVDFormation at Total Depth: 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: _____

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: 7-20-09 Signature of Operator or Agent: _____ Title: Vice-President

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API # 15 - 097-21660-01-00Conductor pipe required None feetMinimum surface pipe required 340 feet per ALT. ☒ I ☐ IIApproved by: 8-7-2009This authorization expires: 8-7-2010

(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: _____

KANSAS CORPORATION COMMISSION

JUL 27 2009

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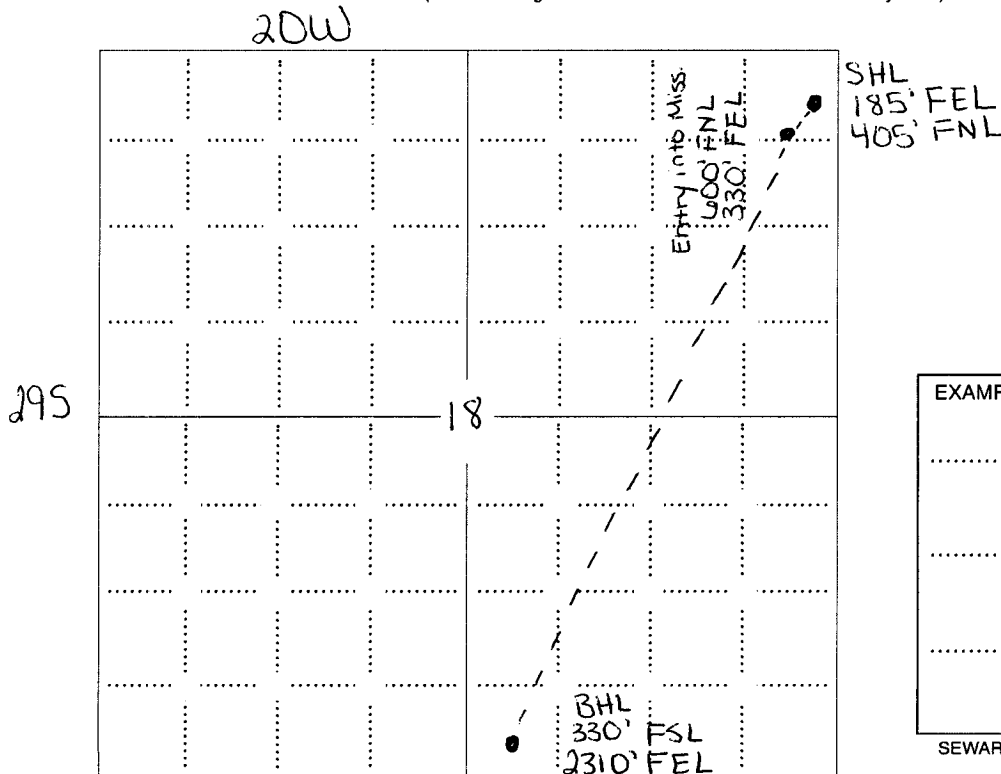
18 29 20 ☐ E ☒ W

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 - 097-21660-01-00Operator: Special Energy CorporationLease: BillWell Number: 1-HField: Westland

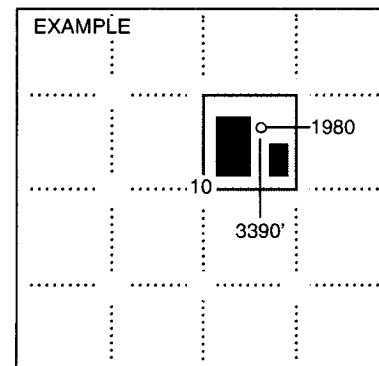
Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: SE/4 - NE/4 - NE/4 - NE/4Location of Well: County: Kiowa405 feet from ☒ N / ☐ S Line of Section185 feet from ☒ E / ☐ W Line of SectionSec. 18 Twp. 29 S. R. 20 ☐ E ☒ WIs 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.)*

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SEWARD CO.

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).

**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.: Bill 1-H		Pit Location (QQQQ): NE - NE - NE - NE Sec. 18 Twp. 29 R. 20 ☐ East ☒ West 300 Feet from ☒ North / ☐ South Line of Section 185 Feet from ☒ East / ☐ West Line of Section Kiowa County	
Type of Pit: ☐ Emergency Pit ☐ Burn Pit ☐ Settling Pit ☒ Drilling Pit ☐ Workover Pit ☐ Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: ☒ Proposed ☐ Existing If Existing, date constructed: _____ Pit capacity: 30,000 (bbls)		
Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☒ No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level? ☒ Yes ☐ No	Artificial Liner? ☐ Yes ☒ No	How is the pit lined if a plastic liner is not used? Native Clay	
Pit dimensions (all but working pits): 250 Length (feet) 125 Width (feet) ☐ N/A: Steel Pits Depth from ground level to deepest point: 5 (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 459 feet Depth of water well 200 feet		Depth to shallowest fresh water 142 feet. Source of information: ☐ measured ☐ well owner ☐ electric log ☒ 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? ☐ Yes ☐ 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: Drying 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.			
7/20/09 Date		 Signature of Applicant or Agent	
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KCC OFFICE USE ONLY Steel Pit ☐ RFAC ☐ RFAS ☐			
Date Received: 7/27/09 Permit Number: _____ Permit Date: 7/27/09 Lease Inspection: ☐ Yes ☒ No			

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

15-097-21660-01-00