

| For KCC Use: | |
|-------------------|--|
| Effective Date: _ | |
| District # | |
| 0040 | |

Spud date: _

_ Agent: _

Kansas Corporation Commission Oil & Gas Conservation Division

1018892

Form C-1
October 2007
Form must be Typed
Form must be Signed

| Expected Spud Date: | year | Spot Description: | |
|---|---|--|--|
| month day | year | Sec Twp S. F | R |
| PERATOR: License# | | feet from N / | S Line of Section |
| lame: | | feet from E / E | W Line of Section |
| ddress 1: | | Is SECTION: Regular Irregular? | |
| ddress 2: | | (Note: Locate well on the Section Plat on revers | se side) |
| ity: State: Zip | | County: | |
| ontact Person: | | Lease Name: | Well #: |
| none: | | Field Name: | |
| ONTRACTOR: License# | | Is this a Prorated / Spaced Field? | Yes N |
| ame: | | Target Formation(s): | |
| Well Drilled For: Well Class: | Type Equipment: | Nearest Lease or unit boundary line (in footage): | |
| Oil Enh Rec Infield | Mud Rotary | Ground Surface Elevation: | feet MS |
| Gas Storage Pool Ext. | Air Rotary | Water well within one-quarter mile: | Yes N |
| Disposal Wildcat | Cable | Public water supply well within one mile: | Yes 1 |
| Seismic ; # of Holes Other | | Depth to bottom of fresh water: | |
| Other: | | Depth to bottom of usable water: | |
| If OWWO: old well information as follows: | | Surface Pipe by Alternate: II | |
| II OWWO: old well information as follows: | | Length of Surface Pipe Planned to be set: | |
| Operator: | | Length of Conductor Pipe (if any): | |
| Well Name: | | Projected Total Depth: | |
| Original Completion Date: Original | Total Depth: | | |
| irectional Deviated or Herizontal wellbore? | Yes No | Water Source for Drilling Operations: | |
| irectional, Deviated or Horizontal wellbore? Yes, true vertical depth: | | Well Farm Pond Other: | |
| ottom Hole Location: | | DWR Permit #:(Note: Apply for Permit with DWR) | |
| CC DKT #: | | Will Cores be taken? | Yes |
| | | If Yes, proposed zone: | |
| | | , p | |
| he undersigned hereby affirms that the drilling, co is agreed that the following minimum requiremen | mpletion and eventual pl | FIDAVIT ugging of this well will comply with K.S.A. 55 et. seq. | |
| is agreed that the following minimum requirement Notify the appropriate district office <i>prior</i> to see A copy of the approved notice of intent to dries The minimum amount of surface pipe as spethrough all unconsolidated materials plus and If the well is dry hole, an agreement betweer The appropriate district office will be notified If an ALTERNATE II COMPLETION, product Or pursuant to Appendix "B" - Eastern Kansa | ompletion and eventual plats will be met: spudding of well; Il shall be posted on each ciffed below shall be seninimum of 20 feet into the operator and the distribution pipe shall be cemented as surface casing order # | FIDAVIT ugging of this well will comply with K.S.A. 55 et. seq. th drilling rig; they circulating cement to the top; in all cases surface pipe share underlying formation. strict office on plug length and placement is necessary prior to | o plugging; f spud date. e II cementing |
| is agreed that the following minimum requirement. Notify the appropriate district office <i>prior</i> to section 2. A copy of the approved notice of intent to dries 3. The minimum amount of surface pipe as spetthrough all unconsolidated materials plus a result of the well is dry hole, an agreement betweer 5. The appropriate district office will be notified 6. If an ALTERNATE II COMPLETION, product Or pursuant to Appendix "B" - Eastern Kansamust be completed within 30 days of the sput be appropriated in the sput of the section of | empletion and eventual plats will be met: spudding of well; Il shall be posted on each ciffed below shall be seninimum of 20 feet into the operator and the distribution before well is either plugion pipe shall be cemented as surface casing order # and date or the well shall be the shall be | FIDAVIT ugging of this well will comply with K.S.A. 55 et. seq. th drilling rig; thy circulating cement to the top; in all cases surface pipe share underlying formation. strict office on plug length and placement is necessary prior to ged or production casing is cemented in; ed from below any usable water to surface within 120 DAYS of 133,891-C, which applies to the KCC District 3 area, alternate e plugged. In all cases, NOTIFY district office prior to any control of the 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 or any order of the properties of the prior to workover. | o plugging; f spud date. e II cementing ementing. e; ders; r or re-entry; |
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Well Not Drilled - Permit Expired Date: _
Signature of Operator or Agent:



10188

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

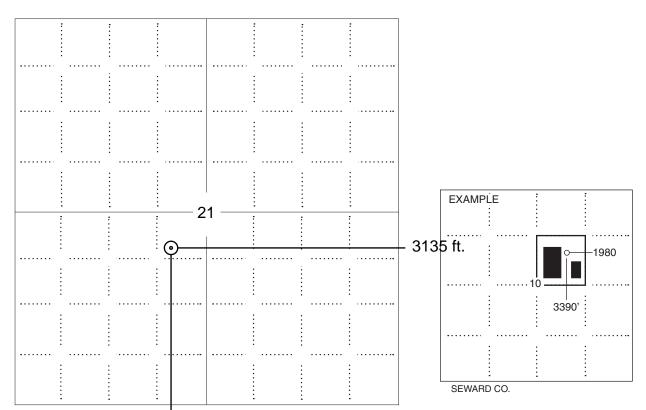
Plat of acreage attributable to a well in a prorated or spaced field

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 | | | | |
|---------------------------------------|--|--|--|--|
| Operator: | Location of Well: County: | | | |
| ease: | feet from N / S Line of Section | | | |
| Well Number: | feet from E / W Line of Section | | | |
| Field: | Sec Twp S. R | | | |
| Number of Acres attributable to well: | 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 locaton.

2145 ft.

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

18892

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: | | | License Number: | | | |
|--|--|--|--------------------------------|--|--|--|
| Operator Address: | | | | | | |
| Contact Person: | | | Phone Number: | | | |
| Lease Name & Well No.: | | | Pit Location (QQQQ): | | | |
| Type of Pit: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water Is the bottom below ground level? Yes No Pit dimensions (all but working pits): Depth from If the pit is lined give a brief description of the material, thickness and installation procedure | Artificial Liner? Yes No Length (feet) m ground level to deepest point: liner Describe proce | | | | | |
| | | ccgy, | | | | |
| • | | Depth to shallo | west fresh waterfeet. | | | |
| feet Depth of water wellfeet | | | redwell owner electric logKDWR | | | |
| 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 Submitted Electronically | | Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Number of working pits to be utilized: Abandonment procedure: Drill pits must be closed within 365 days of spud date. | | | | |
| | | | | | | |
| KCC OFFICE USE ONLY Steel Pit RFAC RFAS | | | | | | |
| Date Received: Permit Num | ber: | Permi | it Date: Lease Inspection: | | | |



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

May 23, 2008

K.TODD ALLAM Val Energy, Inc. 200 W DOUGLAS AVE STE 520 WICHITA, KS67202-3005

Re: Drilling Pit Application LOGAN UNIT Lease Well No. 1-21 SW/4 Sec.21-34S-10W Barber County, Kansas

Dear K.TODD ALLAM:

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 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. Form CDP-5 (August 2004), Exploration and Production Waste Transfer, must be filed within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: kcc.ks.gov/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 District Office at (620) 225-8888.