For KCC Use:

District	#	
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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

1028978

NOTICE OF INTENT TO DRILL

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

Expected Spud Date:				Spot Description:	
	month	day	year	(<i>Q/Q/Q/Q</i>)	
OPERATOR: License#				feet from N / [S Line of Section
Name:				feet from L E / L	W Line of Section
Address 1:				Is SECTION: Regular Irregular?	
Address 2:				(Note: Locate well on the Section Plat on rever	rse side)
City:	State:	Zip:		County:	,
Contact Person:				Lease Name:	
Phone:				Field Name:	
CONTRACTOR: License#				Is this a Prorated / Spaced Field?	Yes No
Name:				Target Formation(s):	
				Nearest Lease or unit boundary line (in footage):	
Well Drilled For:	Well Class	: Type	Equipment:	Ground Surface Elevation:	
Oil Enh Re	c Infield		Mud Rotary		
Gas Storage	e Pool E	Ext.	Air Rotary	Water well within one-quarter mile:	
Disposa	al Wildca	at 🗌	Cable	Public water supply well within one mile:	Yes No
Seismic ; # of	Holes Other			Depth to bottom of fresh water:	
Other:				Depth to bottom of usable water:	
If OWWO: old well in	formation on fall			Surface Pipe by Alternate:	
	normation as ion	0w5.		Length of Surface Pipe Planned to be set:	
Operator:				Length of Conductor Pipe (if any):	
Well Name:				Projected Total Depth:	
Original Completion Date	ə:	Original Total	Depth:	Formation at Total Depth:	
				Water Source for Drilling Operations:	
Directional, Deviated or Horiz			Yes No	Well Farm Pond Other:	
If Yes, true vertical depth:				DWR Permit #:	
Bottom Hole Location:				(Note: Apply for Permit with DWR	1
KCC DKT #:				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.

Submitted Electronically

	Remember to:
For KCC Use ONLY	 File Drill Pit Application (form CDP-1) with Intent to Drill;
API # 15	- File Completion Form ACO-1 within 120 days of spud date;
Conductor pipe requiredfeet	 File acreage attribution plat according to field proration orders; Notify appropriate district office 48 hours prior to workover or re-entry;
Minimum surface pipe required feet per ALT. I II	- Submit plugging report (CP-4) after plugging is completed (within 60 days);
Approved by:	- Obtain written approval before disposing or injecting salt water.
This authorization expires:	- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.
(This authorization void if drilling not started within 12 months of approval date.)	Well Not Drilled - Permit Expired Date:
Spud date: Agent:	Signature of Operator or Agent:



1028978

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Side Two

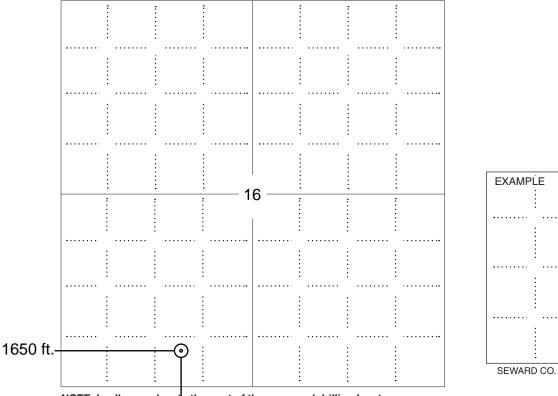
Plat of acreage attributable to a well in a prorated or spaced field

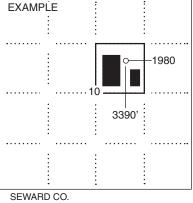
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please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

API No. 15	
Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R E 📃 W
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.

495 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 1028978 Oil & Gas Conservation Division

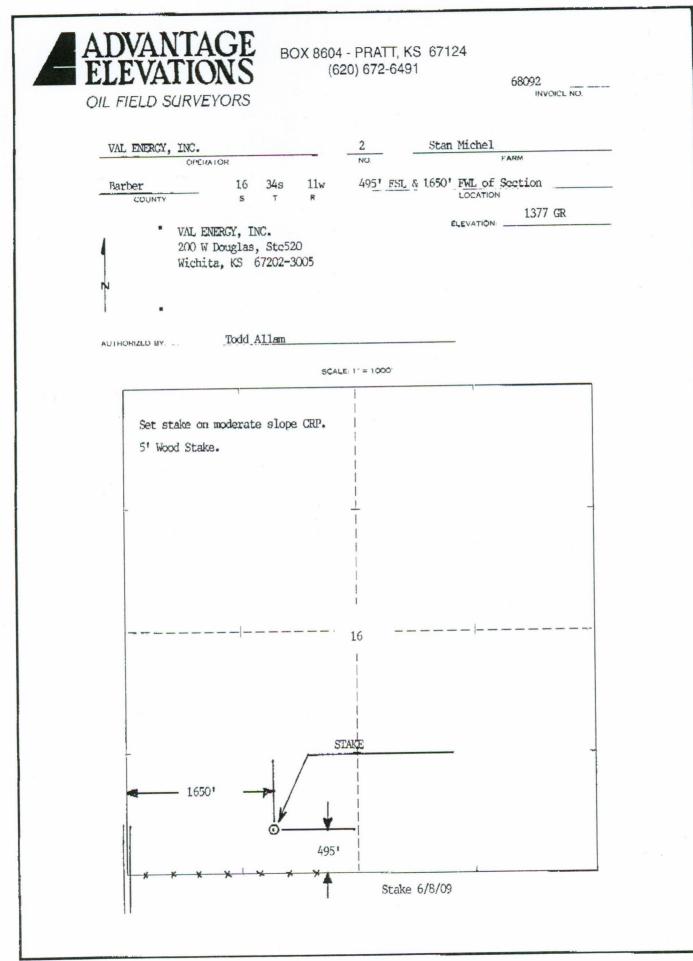
Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:			License Number:	
Operator Address:		I		
Contact Person:		Phone Number:		
Lease Name & Well No.:	Lease Name & Well No.:		Pit Location (QQQQ):	
Type of Pit:	Pit is:			
Emergency Pit Burn Pit	Proposed Existing		SecTwpR East West	
Settling Pit Drilling Pit	If Existing, date constructed:		Feet from North / South Line of Section	
Workover Pit Haul-Off Pit (<i>If WP Supply API No. or Year Drilled</i>)	Pit capacity: (bbls)		Feet from East / West Line of Section	
Is the pit located in a Sensitive Ground Water			Chloride concentration: mg/l	
Is the bottom below ground level?	Artificial Liner?		(For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits):	Length (feet)		Width (feet) N/A: Steel Pits	
Depth fr	om ground level to d	eepest point:	(feet) No Pit	
Distance to nearest water well within one-mile	e of pit	Depth to shallo Source of infor	west fresh waterfeet. mation:	
			redwell owner electric logKDWR	
Emergency, Settling and Burn Pits ONLY: Drilling, Work			over and Haul-Off Pits ONLY:	
Producing Formation:		Type of materia	al utilized in drilling/workover:	
			orking pits to be utilized:	
		Abandonment	procedure:	
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		Drill pits must t	be closed within 365 days of spud date.	
Submitted Electronically				
KCC OFFICE USE ONLY Steel Pit RFAC RFAS				
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No	

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



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June 09, 2009

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

Re: Drilling Pit Application STAN MICHEL Lease Well No. 2-16 SW/4 Sec.16-34S-11W 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 **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 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.