For KCC Use:

District	#	
----------	---	--

s 🔄 N

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1034217 Form must be Typed

Form C-1 October 2007

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:	Spot Description:		
month day year	(a/a/a/a) Sec Twp S. R E □ W		
OPERATOR: License#	feet from N / S Line of Section		
Name:	feet from L E / W Line of Section		
Address 1:	Is SECTION: Regular Irregular?		
Address 2:	(Note: Locate well on the Section Plat on reverse side)		
City: State: Zip: +	County:		
Contact Person:	Lease Name: Well #:		
Phone:	Field Name:		
CONTRACTOR: License#	Is this a Prorated / Spaced Field?		
Name:			
Humo	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 MSL		
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:		
Disposal Wildcat Cable	Public water supply well within one mile:		
Seismic ; # of Holes Other	Depth to bottom of fresh water:		
Other:	Depth to bottom of usable water:		
	Surface Pipe by Alternate:		
If 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:	Formation at Total Depth:		
- 3	Water Source for Drilling Operations:		
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:		
If Yes, true vertical depth:	DWR Permit #:		
Bottom Hole Location:	(Note: Apply for Permit with DWR)		
KCC DKT #:	Will Cores be taken?		
	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:



1034217

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Side Two

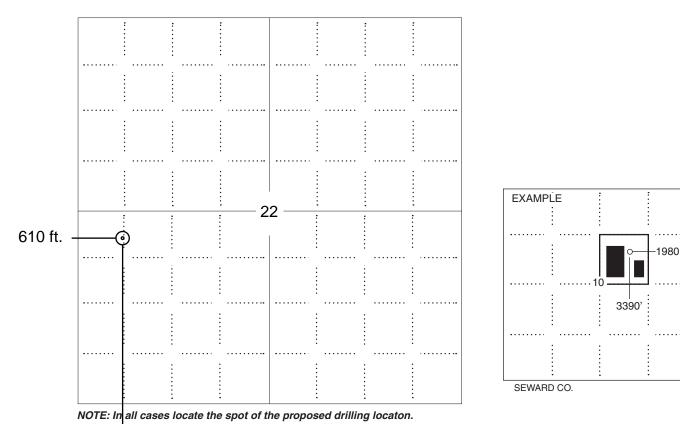
Plat of acreage attributable to a well in a prorated or spaced field

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 attributed acreage attributed acreage attributed acreage attributed acreage attributed acreage attributed acreage attributed acreag

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.)



2265 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

1034217

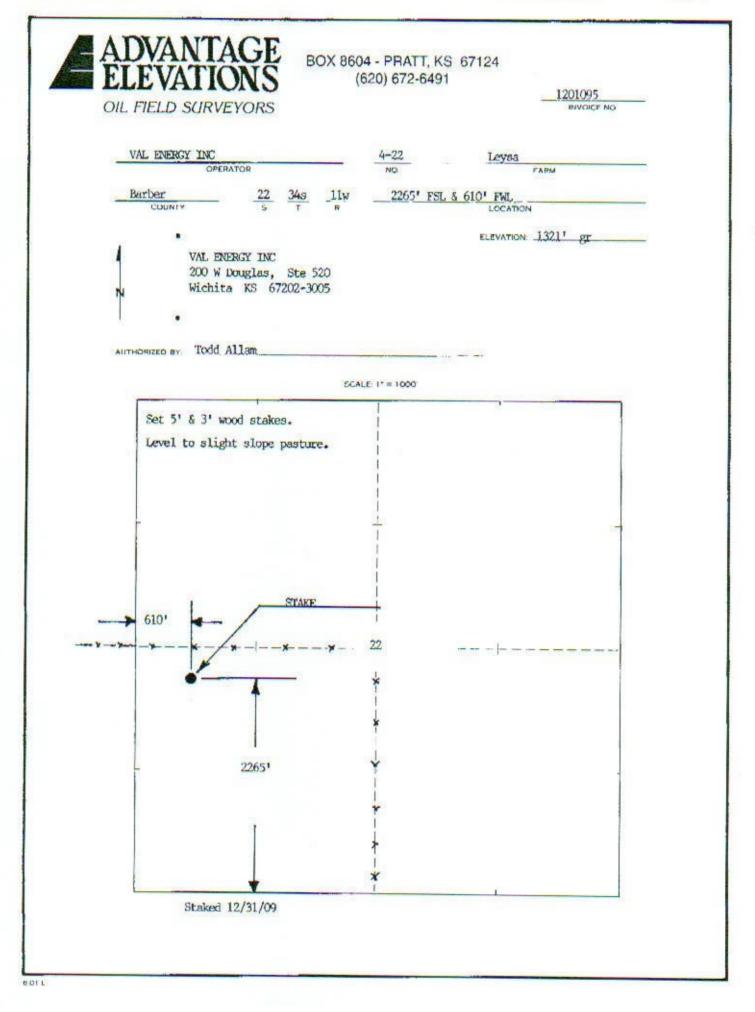
Form CDP-1 April 2004 Form must be Typed

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:	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 (If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from East / West Line of Section			
		(bbls)		County		
Is the pit located in a Sensitive Ground Water	Area? Yes	No	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 (fo	eet)	Width (feet)	N/A: Steel Pits		
	om ground level to d			No Pit		
Distance to nearest water well within one-mile	e of pit	Depth to shallo Source of infor	west fresh water	feet.		
feet Depth of water well	feet			electric log KDWR		
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	over and Haul-Off Pits ON	LY:		
Producing Formation:		Type of materia	I utilized in drilling/workover:			
	Number of producing wells on lease: Number of wor		king pits to be utilized:			
Barrels of fluid produced daily: Abandonment procedure:						
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill pits must be		e closed within 365 days of spud date.				
Submitted Electronically						
KCC OFFICE USE ONLY Steel Pit RFAC RFAS						
Date Received: Permit Num	ber:	Perm	it Date: Le	ase Inspection: Yes No		

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





January 06, 2010

K. TODD ALLAM Val Energy, Inc. 200 W DOUGLAS AVE STE 520 WICHITA, KS 67202-3005

Re: Drilling Pit Application LEYSA 4-22 SW/4 Sec.22-34S-11W Barber County, Kansas

Dear K. TODD ALLAM:

According to the drilling pit application referenced above, no earthen pits will be used at this location. Steel pits will be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit, through SOLAR. This location will have to be inspected prior to approval of the haul-off pit application.

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.



(a)

Mark Parkinson, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- Each operator shall perform one of the following when disposing of dike or pit contents:
- Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
- (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
- (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
 - (1) A \$1,000 penalty for the first violation;

- (2) a \$2,500 penalty for the second violation; and
- (3) a \$5,000 penalty and an operator license review for the third violation.

<u>File Haul-Off Pit Application in SOLAR. Review the information below and attach all</u> <u>required documents to the pit application when submitting through SOLAR. This form will</u> <u>automatically generate and fill in from questions asked in SOLAR.</u>

Haul-off pit will be located in an on-site disposal area: ____Yes ____No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: ____Yes ____No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: ___Yes ___No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.