

| For KCC | Use: | |
|------------|----------|--|
| Effective | Date: | |
| District # | <u> </u> | |
| 0040 | | |

Kansas Corporation Commission Oil & Gas Conservation Division

Form C-1 October 2007 Form must be Typed

| Expected Spud Date: | Spot Description: | | |
|---|---|--|--|
| , , | Sec Twp S. R L L W | | |
| OPERATOR: License# | feet from N / S Line of Section | | |
| Name: | feet from E / W Line of Section | | |
| Address 1: | Is SECTION: Regular Irregular? | | |
| Address 2: | (Note: Locate well on the Section Plat on reverse side) | | |
| City: | County: | | |
| Contact Person: | Lease Name: Well #: | | |
| Phone: | Field Name: | | |
| CONTRACTOR: License# | Is this a Prorated / Spaced Field? | | |
| Name: | Target Formation(s): | | |
| Well Drilled For: Well Class: Type Equipment: | Nearest Lease or unit boundary line (in footage): | | |
| | Ground Surface Elevation:feet MSL | | |
| Oil Enh Rec Infield Mud Rotary | Water well within one-quarter mile: | | |
| Gas Storage Pool Ext. Air Rotary | Public water supply well within one mile: | | |
| Disposal Wildcat Cable Seismic ; # of Holes Other | Depth to bottom of fresh water: | | |
| Other: | Depth to bottom of usable water: | | |
| Outer | Surface Pipe by Alternate: | | |
| If OWWO: old well information as follows: | Length of Surface Pipe Planned to be set: | | |
| On contain | Length of Conductor Pipe (if any): | | |
| Operator: | Projected Total Depth: | | |
| Well Name: Original Total Depth: | Formation at Total Depth: | | |
| Original Completion Date Original Total Deptil | 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: | | |
| AFF The undersigned hereby affirms that the drilling, completion and eventual plu It is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each 3. The minimum amount of surface pipe as specified below <i>shall be set</i> | drilling rig; | | |
| | rict office on plug length and placement is necessary <i>prior to plugging</i> ; led or production casing is cemented in; d from below any usable water to surface within <i>120 DAYS</i> of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing. | | |
| - KOO II ONIN | 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; | | |
| | File correcte attribution plot according to field projection orders. | | |

| | Remember to: |
|---|--|
| For KCC Use ONLY API # 15 | 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); |
| Approved by: | - Obtain written approval before disposing or injecting salt water. |
| This authorization expires: (This authorization void if drilling not started within 12 months of approval date.) | - 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: |
| Spud date: Agent: | Signature of Operator or Agent: |
| 7.95.11. | 5 |



IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

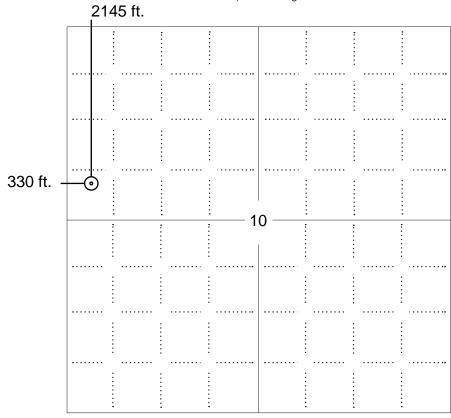
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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.

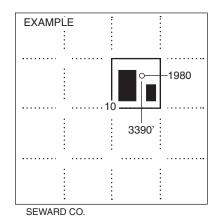
| API No. 15 | |
|---------------------------------------|--|
| Operator: | Location of Well: County: |
| Lease: | feet from N / S Line of Section |
| Well Number: | feet from E / W Line of Section |
| Field: | Sec Twp S. R |
| Number of Acres attributable to well: | Is Section: Regular or Irregular |
| | 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.

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

4958 Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

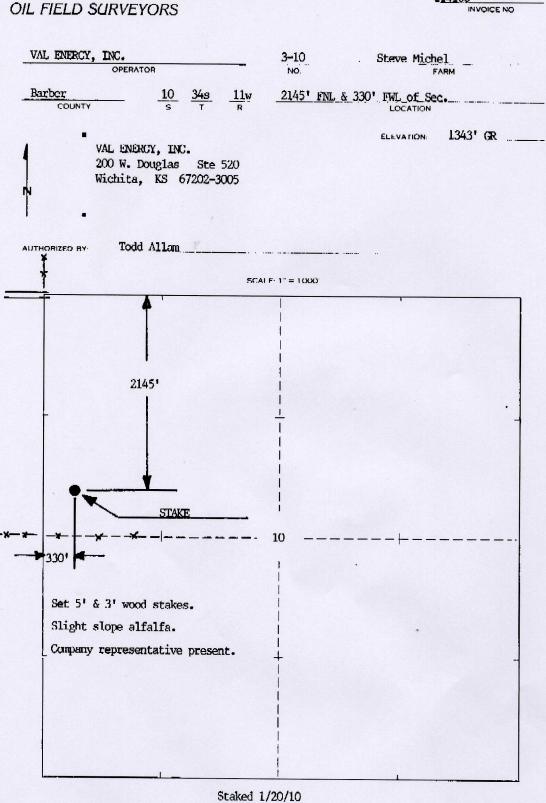
Submit in Duplicate

| 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) | Pit is: Proposed Existing If Existing, date constructed: Pit capacity: | | SecTwpR East West Feet from North / South Line of Section 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 (For Emergency Pits and Settling Pits only) | | |
| Is the bottom below ground level? Yes No | Artificial Liner? | | How is the pit lined if a plastic liner is not used? | | |
| Pit dimensions (all but working pits): | Length (fe | eet) | Width (feet) N/A: Steel Pits | | |
| Depth fr | om ground level to de | eepest point: | (feet) No Pit | | |
| material, thickness and installation procedure | ł. | liner integrity, in | ncluding any special monitoring. | | |
| Distance to nearest water well within one-mile | e of pit | Depth to shallo Source of infor | west fresh waterfeet. | | |
| feet Depth of water well | feet | | 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: | | |
| 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 flow into the pit? Yes No | spilled fluids to | Drill pits must I | pe closed within 365 days of spud date. | | |
| Submitted Electronically | | | | | |
| KCC OFFICE USE ONLY Steel Pit RFAC RFAS | | | | | |
| Date Received: Permit Num | ıber: | Perm | it Date: Lease Inspection: | | |



BOX 8604 - PRATT, KS 67124 (620) 672-6491

> 114108 INVOICE NO





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

February 01, 2010

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

Re: Drilling Pit Application STEVE MICHEL 3-10 NW/4 Sec.10-34S-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 <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. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through SOLAR within 30 days of fluid removal.

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.