





1059340

For KCC Use ONLY

API # 15 - \_\_\_\_\_

### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: \_\_\_\_\_

Lease: \_\_\_\_\_

Well Number: \_\_\_\_\_

Field: \_\_\_\_\_

Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: \_\_\_\_\_

\_\_\_\_\_ feet from  N /  S Line of Section

\_\_\_\_\_ feet from  E /  W Line of Section

Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W

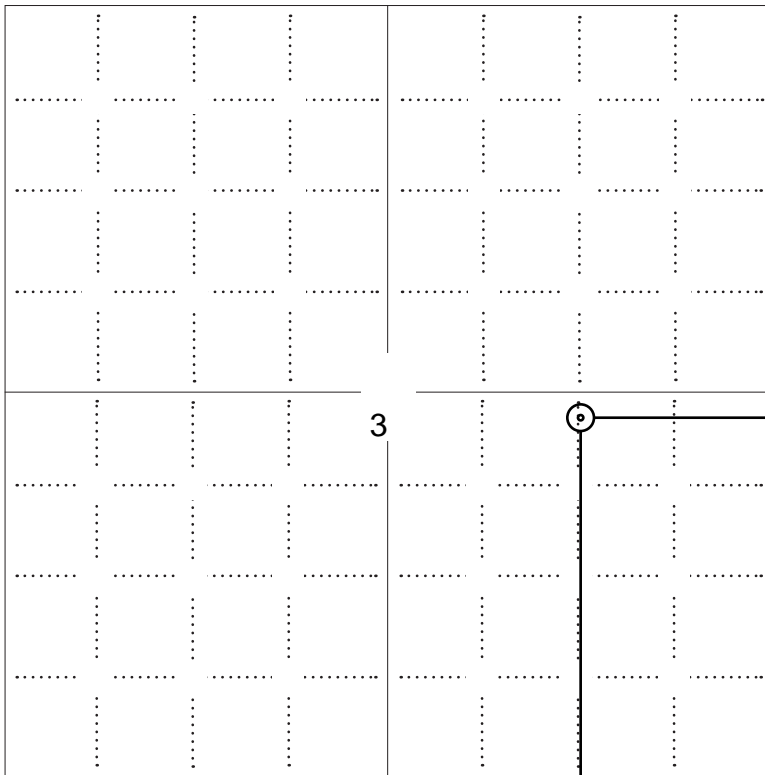
Is Section:  Regular or  Irregular

**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

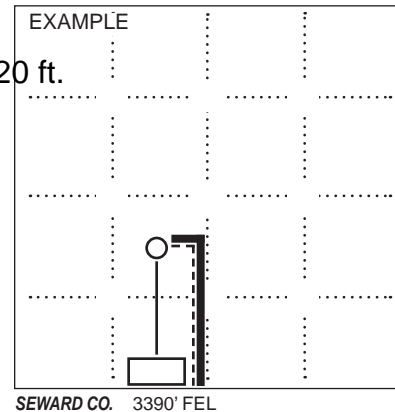
### PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



### LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



**NOTE: In all cases locate the spot of the proposed drilling locaton.**

2460 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).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



**APPLICATION FOR SURFACE PIT**

*Submit in Duplicate*

|   |  |   |  |
|---|--|---|--|
| Operator Name: _____  |  | License Number: _____   |  |
| Operator Address: _____   |  |   |  |
| Contact Person: _____   |  | Phone Number: _____   |  |
| Lease Name & Well No.: _____  |  | Pit Location (QQQQ):<br>_____-_____-_____-_____   |  |
| Type of Pit:<br><input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit<br><input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit<br><input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit<br><i>(If WP Supply API No. or Year Drilled)</i>             |  | Pit is:<br><input type="checkbox"/> Proposed <input type="checkbox"/> Existing<br>If Existing, date constructed: _____<br>Pit capacity: _____ (bbls)  |  |
| Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No   |  | Chloride concentration: _____ mg/l<br><i>(For Emergency Pits and Settling Pits only)</i>  |  |
| Is the bottom below ground level?<br><input type="checkbox"/> Yes <input type="checkbox"/> No   |  | Artificial Liner?<br><input type="checkbox"/> Yes <input type="checkbox"/> No   |  |
| How is the pit lined if a plastic liner is not used?  |  |   |  |
| Pit dimensions (all but working pits):    _____ Length (feet)    _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits<br>Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> 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:<br>_____ feet    Depth of water well _____ feet  |  | Depth to shallowest fresh water _____ feet.<br>Source of information:<br><input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR                                    |  |
| <b>Emergency, Settling and Burn Pits ONLY:</b><br>Producing Formation: _____<br>Number of producing wells on lease: _____<br>Barrels of fluid produced daily: _____<br>Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No |  | <b>Drilling, Workover and Haul-Off Pits ONLY:</b><br>Type of material utilized in drilling/workover: _____<br>Number of working pits to be utilized: _____<br>Abandonment procedure: _____<br>Drill pits must be closed within 365 days of spud date. |  |
| <p><b>Submitted Electronically</b></p>  |  |   |  |

**KCC OFFICE USE ONLY**

Liner     Steel Pit     RFAC     RFAS

Date Received: \_\_\_\_\_ Permit Number: \_\_\_\_\_ Permit Date: \_\_\_\_\_ Lease Inspection:     Yes     No



### CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

*This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.*

Select the corresponding form being filed:  C-1 (Intent)  CB-1 (Cathodic Protection Borehole Intent)  T-1 (Transfer)  CP-1 (Plugging Application)

OPERATOR: License # \_\_\_\_\_  
Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: ( \_\_\_\_\_ ) \_\_\_\_\_ Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: \_\_\_\_\_

Well Location:  
\_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Sec. \_\_\_\_ Twp. \_\_\_\_ S. R. \_\_\_\_  East  West  
County: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

*If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:*

**Surface Owner Information:**

Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

*When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.*

*If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.*

**Select one of the following:**

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

*If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.*

I Submitted Electronically

I

# ADVANTAGE ELEVATIONS

OIL FIELD SURVEYORS

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

69116  
INVOICE NO.

VAL ENERGY INC.  
OPERATOR

1-3  
NO.

SOUTH MADDIX  
FARM

Barber 3 31n 13w  
COUNTY S T R

2460' FSL & 1320' FEL of Sec.  
LOCATION

ELEVATION 1707' GR

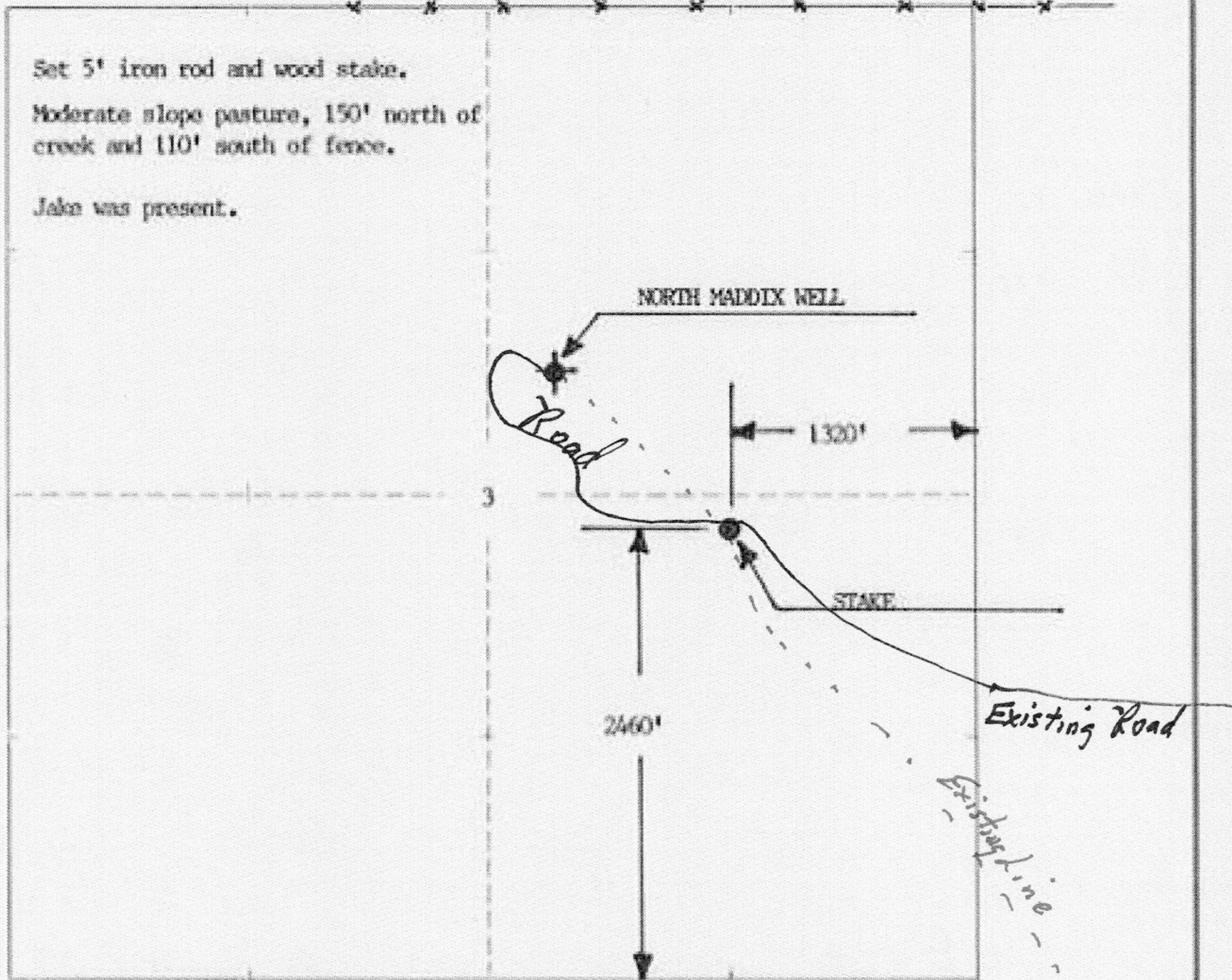


VAL ENERGY INC.  
200 W. Douglas, Ste 520  
Wichita, KS 67202-3005

AUTHORIZED BY Todd Allum

SCALE 1" = 1000'

Set 5' iron rod and wood stake.  
Moderate slope pasture, 150' north of  
creek and 110' south of fence.  
Jake was present.



Staked 7/1/11

Common TP  
Sec #11

ASSIGNMENT OF OIL AND GAS LEASES

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, Vincent Oil Corporation, hereinafter called Assignor, for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby sell, assign, transfer and set over unto VAL Energy, Inc., hereinafter called Assignee, it's respective heirs, successors and assigns, all of Assignor's right, title and interest in and to those oil and gas leases covering land situated in Barber County, Kansas, as listed on Exhibit "A", or any extensions or renewals thereof, together with the like interest in the rights incident thereto, the personal property thereon, appurtenant thereto or used or obtained in connection therewith, attached hereto and made a part hereof insofar as said leases cover the described lands in said County and State.

This Assignment shall be subject to and hereby include the terms of the Letter Agreement dated April 2, 2010 between Vincent Oil Corporation and VAL Energy, Inc.

Assignor herein reserves a 4.5% overriding royalty interest of all oil, gas, casinghead gas and other hydrocarbons produced, saved and marketed under the provisions of the leases described herein.

And for the same consideration the Assignor covenants with the Assignee, it's heirs, successors or assigns that Assignor is the lawful owner of and has good title to the interest assigned in and to said leases, estates, rights and property free and clear from all liens, encumbrances or adverse claims; that said leases are valid and subsisting leases on the land herein described.

Effective the 5th day of April 2010.

WITNESS WHEREOF, Assignor has signed this assignment on the 5th day of April 2010.

Vincent Oil Corporation

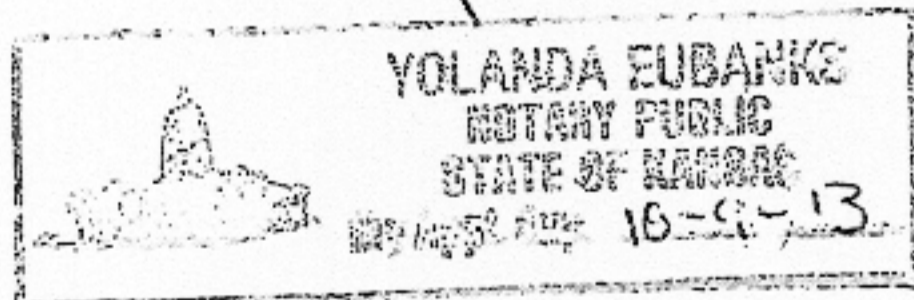
By: Richard A. Hiebsch  
Richard A. Hiebsch, President

ACKNOWLEDGEMENT

STATE OF KANSAS )  
 ) ss:  
COUNTY OF SEDGWICK )

The foregoing instrument was acknowledged before me this 5th day of April 2010 by Richard A. Hiebsch, President of Vincent Oil Corporation.

Yolanda Eubanks  
Notary Public



My appointment expires:



State of Kansas, Barber Co., SS  
This instrument was filed for record on  
the 21 day of April  
2010 at 8:47 o'clock A. M., and  
duly recorded in book 326 on page 262  
Betty G. Duwaden  
Register of Deeds  
Fees \$12.00

EXHIBIT "A"

Attached to and made a part of that certain Assignment of Oil and Gas Leases dated April 5, 2010, by and between Vincent Oil Corporation, Assignor, and VAL Energy, Inc., Assignee.

Oil and Gas Lease dated April 2, 2010, from Richard A. King, Vice Chairman and Trust Officer of the Southwest National Bank, Trustee of the Ralph Maddix Trust dated April 8, 1981, Lessor, to Vincent Oil Corporation, Lessee, covering the South Half of the Northeast Quarter (S/2 NE/4) and Southeast Quarter (SE/4) of Section 35; and the Southwest Quarter (SW/4) of Section 36, all in Township 30 South, Range 13 West, Barber County, Kansas, recorded in Book 326, Page 167 in the Office of Register of Deeds of said County and State, containing 400 acres, more or less;

Oil and Gas Lease dated April 2, 2010, from Richard A. King, Vice Chairman and Trust Officer of the Southwest National Bank, Trustee of the Ralph Maddix Trust dated April 8, 1981, Lessor, to Vincent Oil Corporation, Lessee, covering Lot One (1), Lot Two (2), Lot Three (3), Lot Four (4), South Half of the North Half (S/2 N/2) and South Half (S/2) of Section 2, Township 31 South, Range 13 West, Barber County, Kansas, recorded in Book 326, Page 170 in the Office of Register of Deeds of said County and State, containing 640.22 acres, more or less;

\* Oil and Gas Lease dated April 2, 2010, from Richard A. King, Vice Chairman and Trust Officer of the Southwest National Bank, Trustee of the Ralph Maddix Trust dated April 8, 1981, Lessor, to Vincent Oil Corporation, Lessee, covering Lot One (1), Lot Two (2), Lot Three (3), South Half of the Northeast Quarter (S/2 NE/4), Southeast Quarter of the Northwest Quarter (SE/4 NW/4), Southeast (SE/4) and East Half of the Southwest Quarter (E/2 SW/4) of Section 3, Township 31 South, Range 13 West, Barber County, Kansas, recorded in Book 326, Page 173 in the Office of Register of Deeds of said County and State, containing 481.82 acres, more or less;

Oil and Gas Lease dated April 2, 2010, from Richard A. King, Vice Chairman and Trust Officer of the Southwest National Bank, Trustee of the Ralph Maddix Trust dated April 8, 1981, Lessor, to Vincent Oil Corporation, Lessee, covering the Northeast Quarter of the Northeast Quarter (NE/4 NE/4) and East Half of the Southeast Quarter of the Northeast Quarter (E/2 SE/4 NE/4) of Section 9, Township 31 South, Range 13 West, Barber County, Kansas, recorded in Book 326, Page 185 in the Office of Register of Deeds of said County and State, containing 60 acres, more or less;

Oil and Gas Lease dated April 2, 2010, from Richard A. King, Vice Chairman and Trust Officer of the Southwest National Bank, Trustee of the Ralph Maddix Trust dated April 8, 1981, Lessor, to Vincent Oil Corporation, Lessee, covering All of Section 10, Township 31 South, Range 13 West, Barber County, Kansas, recorded in Book 326, Page 176 in the Office of Register of Deeds of said County and State, containing 640 acres, more or less;

Oil and Gas Lease dated April 2, 2010, from Richard A. King, Vice Chairman and Trust Officer of the Southwest National Bank, Trustee of the Ralph Maddix Trust dated April 8, 1981, Lessor, to Vincent Oil Corporation, Lessee, covering the West Half (W/2) of Section 11, Township 31 South, Range 13 West, Barber County, Kansas, recorded in Book 326, Page 179 in the Office of Register of Deeds of said County and State, containing 320 acres, more or less;

Oil and Gas Lease dated April 2, 2010, from Richard A. King, Vice Chairman and Trust Officer of the Southwest National Bank, Trustee of the Ralph Maddix Trust dated April 8, 1981, Lessor, to Vincent Oil Corporation, Lessee, covering the North Half of the North Half (N/2 N/2) of Section 15, Township 31 South, Range 13 West, Barber County, Kansas, recorded in Book 326, Page 182 in the Office of Register of Deeds of said County and State, containing 160 acres, more or less;

July 13, 2011

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

Re: Drilling Pit Application  
SOUTH MADDIX 1-3  
SE/4 Sec.03-31S-13W  
Barber County, Kansas

Dear K. TODD ALLAM:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve pit be lined with bentonite or nativity clay, 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 after drilling operations have ceased. Keep pits away from draw/drainage. Keep pits on N/NE side of stake.

**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 KOLAR 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.