For KCC Use:

Effective	Date:
District #	

1214774

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

March 2010 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

Biotiliot ii		
SGA?	Yes	No

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well
Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this forn

Expected Spud Date:	Spot Description:
month day year OPERATOR: License#	
Address 1:	(Note: Locate well on the Section Plat on reverse side) County:
Phone:	Lease Name: Well #: Field Name:
CONTRACTOR: License# Name:	Is this a Prorated / Spaced Field? Yes No Target Formation(s):
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Nearest Lease or unit boundary line (in footage):
Directional, Deviated or Horizontal wellbore? Yes No	Water Source for Drilling Operations: Well Farm Pond Other:
Bottom Hole Location: KCC DKT #:	(Note: Apply for Permit with DWR) 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 E	Electronically
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For KCC Use ONLY		
API # 15		
Conductor pipe required	feet	
Minimum surface pipe required	feet per ALT.	
Approved by:		
This authorization expires:		
Spud date: Agent:		

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- 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);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.
 - _ Well will not be drilled or Permit Expired Date: _ Signature of Operator or Agent:

ш

Mail to:	KCC - C	onserv	ation D	vision,	
130 S. Market -	Room 2	078, Wi	ichita, l	Kansas	67202





For KCC Use ONLY

API # 15 - ____

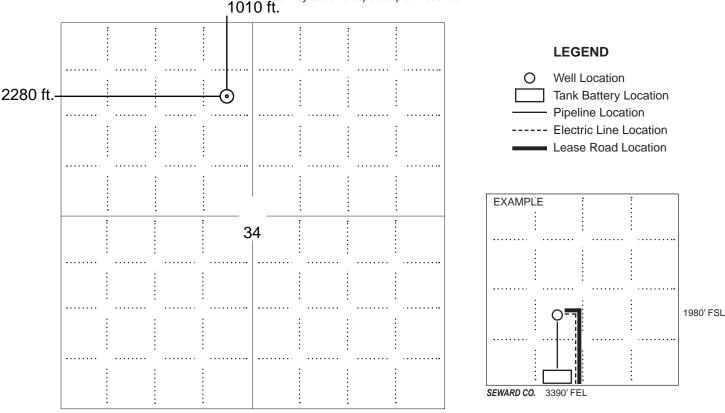
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator:	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: QTR/QTR/QTR/QTR of acreage:	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.



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

CORRECTION #1

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1214774

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate				
Operator Name:	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 co	nstructed:	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 A	rea? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level?	Artificial Liner?	ło	How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet)N/A: Steel Pits	
Depth fro	m ground level to dee	epest point:	(feet) 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: Depth to shallo Source of infor		west fresh water feet. mation:		
feet Depth of water well	feet	measured	well owner electric log KDWR	
Emergency, Settling and Burn Pits ONLY:		Drilling, Worko	over and Haul-Off Pits ONLY:	
Producing Formation:		Type of materia	al utilized in drilling/workover:	
Number of producing wells on lease: Number of work		rking pits to be utilized:		
Barrels of fluid produced daily: Abandonment p		procedure:		
Does the slope from the tank battery allow all spilled fluids to		be closed within 365 days of spud date.		
Submitted Electronically				
KCC OFFICE USE ONLY				
Date Received: Permit Num	oer:	Permi		

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

Kansas Corpor. Oil & Gas Cons CERTIFICATION OF C	ATION COMMISSION 1214774 Form KSONA-1 ATION COMMISSION 1214774 January 2014 ERVATION DIVISION Form Must Be Typed OMPLIANCE WITH THE Form must be Signed NER NOTIFICATION ACT All blanks must be Filled
T-1 (Request for Change of Operator Transfer of Injection of	f Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); or Surface Pit Permit); and CP-1 (Well Plugging Application). Impanying Form KSONA-1 will be returned. Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License #	Well Location:
Surface Owner Information: Name: Address 1: Address 2: City:	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.

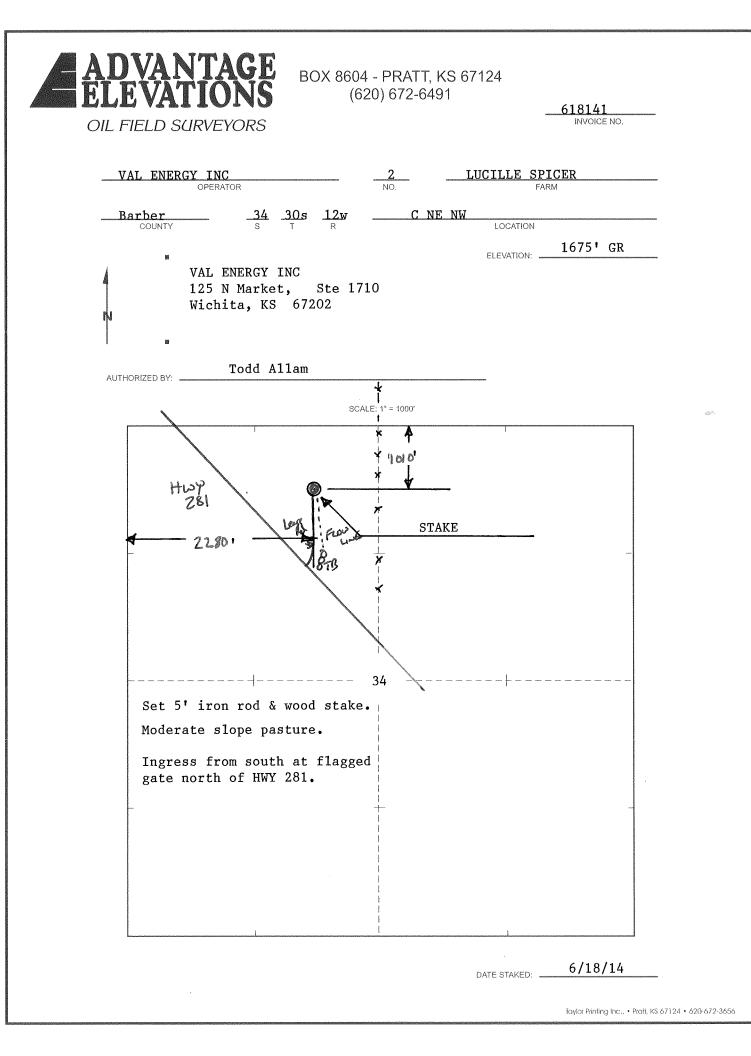
Select one of the following:

- 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 must provide the name and address of the surface owner by filling out the top section of this form and 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.

Submitted Electronically

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Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Shari Feist Albrecht, Chair Jay Scott Emler, Commissioner Pat Apple, Commissioner Sam Brownback, Governor

July 18, 2014

Dustin Wyer Val Energy, Inc. 125 N MARKET ST STE 1710 WICHITA, KS 67202-1728

Re: Drilling Pit Application API 15-007-24198-00-00 Lucille Spicer 2 NW/4 Sec.34-30S-12W Barber County, Kansas

Dear Dustin Wyer:

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 native clay, 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. KEEP PITS away from draw/drainage.

If production casing is set all completion fluids shall be removed from the working pits daily. <u>NO</u> 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.

Summary of Changes

Lease Name and Number: Lucille Spicer 2

API/Permit #: 15-007-24198-00-00

Doc ID: 1214774

Correction Number: 1

Approved By: Rick Hestermann 07/21/2014

Field Name	Previous Value	New Value
ElevationPDF	1675 Estimated	1682 Estimated
Feet to Nearest Water Well Within One-Mile of Pit	4637	4858
Ground Surface Elevation	1675	1682
KCC Only - Approved By	Rick Hestermann 07/10/2014	Rick Hestermann 07/21/2014
KCC Only - Approved Date	07/10/2014	07/21/2014
KCC Only - Date Received	07/10/2014	07/17/2014
KCC Only - Regular Section Quarter Calls	NE NW	SW SE NE NW
LocationInfoLink	https://kolar.kgs.ku.edu/ kcc/detail/locationInform ation.cfm?section=34&t	https://kolar.kgs.ku.edu/ kcc/detail/locationInform ation.cfm?section=34&t
Number of Feet East or West From Section Line	1980	2280
Number of Feet East or West From Section Line	1980	2280

Summary of changes for correction 1 continued

Field Name	Previous Value	New Value
Number of Feet North or South From Section	660	1010
Line Number of Feet North or South From Section	660	1010
Line Quarter Call 3		SE
Quarter Call 3		SE
Quarter Call 4 - Smallest		SW
Quarter Call 4 - Smallest		SW
Save Link	//kcc/detail/operatorE ditDetail.cfm?docID=12 13753	//kcc/detail/operatorE ditDetail.cfm?docID=12 14774

Summary of Attachments

Lease Name and Number: Lucille Spicer 2 API: 15-007-24198-00-00 Doc ID: 1214774 Correction Number: 1 Approved By: Rick Hestermann 07/21/2014

Attachment Name

Bentonite Liner Fluids