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For KCC Use: 12-7-03
Effective Date: 12-7-03
District #
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

DEC 01 2003

Form C-1
December 2002

NOTICE OF INTENT TO DRILL KCC WICHITA

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

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

Expected Spud Date December 9 2003
month/ day/ year

Spot _____ SW _____ NE _____ Sec. 20 Twp. 32S S. R. 22W East West

OPERATOR: License# 33060
Name: Diversified Operating Corporation
Address: 15000 West 6th Ave. Suite 102
City/State/Zip: Golden, CO 80401
Contact Person: Cathy Cammon
Phone: 303-384-9611

1980 _____ feet from N / S Line of Section
1980 _____ feet from E / W Line of Section

Is SECTION Regular _____ Irregular?

(Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 5822
Name: Val Energy Inc

County: Clark
Lease Name: Thomas Well #: 20-7-1

Field Name: _____
Is this a Prorated / Spaced Field? Yes No

Well Drilled For: Oil Gas CWVO Seismic; # of Holes _____
 Enh Rec Storage Disposal Other _____
Well Class: Infield Pool Ext. Wildcat Other _____
Type Equipment: Mud Rotary Air Rotary Cable

Target Formation(s): Arbuckle
Nearest Lease or unit boundary: 1980

Ground Surface Elevation: 2181 feet MSL
Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No
Depth to bottom of fresh water: 150
Depth to bottom of usable water: 180

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 800

Length of Conductor Pipe required: none
Projected Total Depth: 6900'

Directional, Deviated or Horizontal wellbore? Yes No

Formation at Total Depth: Arbuckle

If Yes, true vertical depth: _____

Water Source for Drilling Operations:
 Well Farm Pond Other: nearest private source

Bottom Hole Location: _____

DWR Permit #: _____
(Note: Apply for Permit with DWR)

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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 11/25/2003 Signature of Operator or Agent: [Signature] Title: President

For KCC Use ONLY
API # 15 - 025-21255-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. 1
Approved by: RSP 12-2-03
This authorization expires: 6-2-04
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

Remember to:

- 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;
- Obtain written approval before disposing or injecting salt water.
- 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

Signature of Operator or Agent: _____
Date: _____

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

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32
223

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KCC WICHITA

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: Diversified Operating Corporation
Lease: Thomas
Well Number: 20-7-1
Field: _____

Number of Acres attributable to well: 40
QTR / QTR / QTR of acreage: _____ - SW - _____ - NE

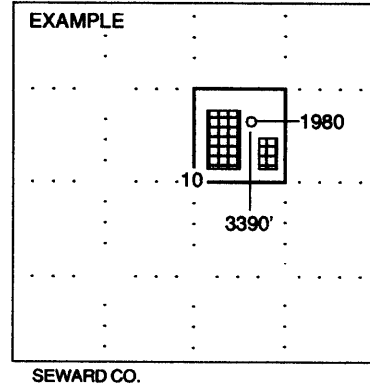
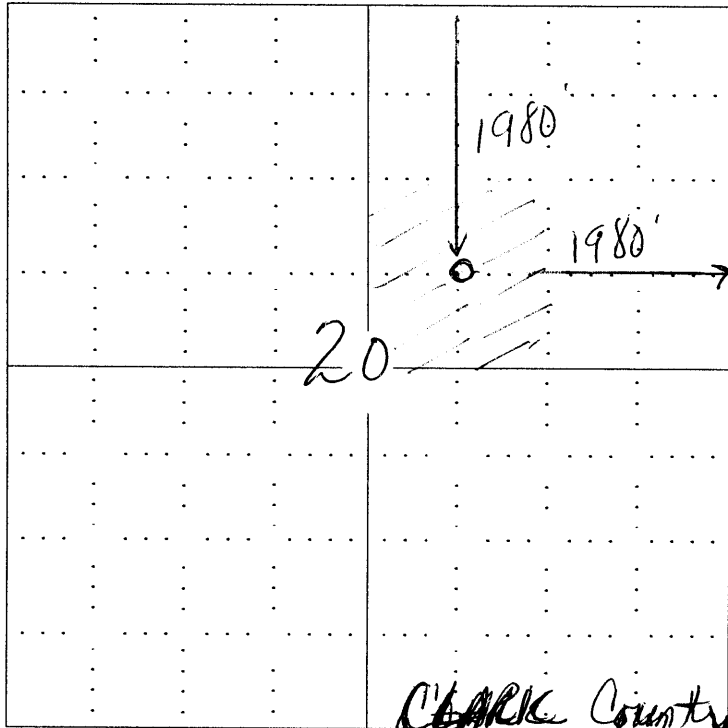
Location of Well: County: Clark
1980 _____ feet from N / S Line of Section
1980 _____ feet from E / W Line of Section
Sec. 20 Twp. 32S S. R. 22W East West

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 location.

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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
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).