

WICHITA, KANSAS
AUG 09 2004
RECEIVED
KANSAS CORPORATION COMMISSION

For KCC Use:
Effective Date: 8-15-04
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Form C-1
September 1999
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 9 1 04
month day year

OPERATOR: License# 5822
Name: VAL Energy Inc.
Address: Box 116
City/State/Zip: Wichita, Ks. 67201
Contact Person: Todd Allam
Phone: 316-263-6688

CONTRACTOR: License# 6039
Name: JD Drilling Inc.

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

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

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

Spot East West
W/2 - NW - NW Sec. 25 Twp. 18 S. R. 26 W
660 feet from N (circle one) Line of Section
330 feet from W (circle one) Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: NESS
Lease Name: Mauch Well #: 1-25
Field Name: _____

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian
Nearest Lease or unit boundary: 330

Ground Surface Elevation: _____ 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: 190
Depth to bottom of usable water: 1100

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 210
Length of Conductor Pipe required: NONE

Projected Total Depth: 4550
Formation at Total Depth: Mississippian

Water Source for Drilling Operations:
Well _____ Farm Pond _____ Other

DWR Permit #: _____
(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. 55-101, 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. **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: 8/9/04 Signature of Operator or Agent: Todd Allam Title: President

For KCC Use ONLY
API # 15 - 135-24304-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 210 feet per Alt. ②
Approved by: RJPB-10-04
This authorization expires: 2-10-05
(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.

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

25 18 26W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

AUG 09 2004

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

CONSERVATION DIVISION

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: VAL Energy Inc.
Lease: Mauch
Well Number: 1-25
Field: _____

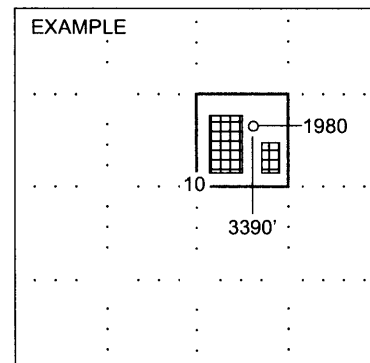
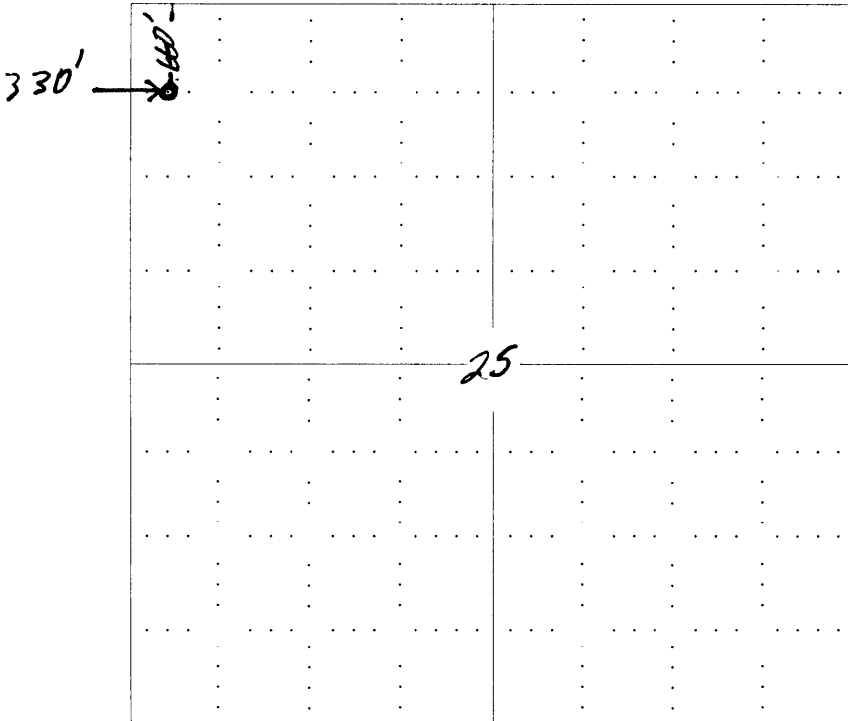
Location of Well: County: NESS
660 feet from S / N (circle one) Line of Section
330 feet from E / W (circle one) Line of Section
Sec. 25 Twp. 18S S. R. 26W East West

Number of Acres attributable to well: _____
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 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 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: (CO-7 for oil wells; CG-8 for gas wells).