For KCC Use: 2.7.05 Effective Date: 2.7.05 District # I No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Form C-1
December 2002
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

		st
Expected Spud Date February 6, 2005	SENW NW NW Sec. 13 Twp. 34 S. R. 25 V W.	
	450 feet from \sqrt{N} N / \sqrt{S} Line of Section	est
OPERATOR: License# 33384	400 feet from E / / W Line of Section	
Name: High Bluff Operating, LLC	Is SECTION _✓RegularIrregular?	
Address: 1738 Wynkoop, Suite 302		
City/State/Zip: Denver, Colorado 80202	(Note: Locate well on the Section Plat on reverse side)	
Contact Person: Jamie Brown	County: Clark Lease Name: Cauther Well #: 2	
Phone: (303) 295-2223	Lease Name: Cauther Well #: 2	_
CONTRACTOR: License# 5822	Field Name: McKinney	
Name: Val Energy, Inc.	Is this a Prorated / Spaced Field? Target Formation(s): Chester - Mississippian	No
Namo.	Target Formation(s): Chester Wississipplan	
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary: 400' Ground Surface Elevation: 2015 feet M	
Oil Enh Rec Infield Mud Rotary		
✓ Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile: Yes Yes Yes	
OWWO Disposal Wildcat Cable	Public water supply well within one mile: Depth to bottom of fresh water: 180' Yes	NO
Seismic; # of Holes Other	Depth to bottom of usable water: 200'	
Other	·	
	Surface Pipe by Alternate:	
If OWWO: old well information as follows:	Length of Conductor Pipe required: none	
Operator:	Projected Total Depth: 6,000'	
Well Name:	Formation at Total Depth: Chester - Mississippian	
Original Completion Date:Original Total Depth:	Water Source for Drilling Operations:	
Directional, Deviated or Horizontal wellbore? Yes ✓ No	✓ Well Farm Pond Other existing well	
If Yes, true vertical depth:	DWR Permit #:	
Bottom Hole Location:	(Note: Apply for Permit with DWR	
KCC DKT #:	Will Cores be taken? Yes ✓	No
	If Yes, proposed zone:	
AFFI	DAVIT SANSAS CORPORATION	
The undersigned hereby affirms that the drilling, completion and eventual plants	ugging of this well will comply with K.S.A. 55 et. seg	
	FEB 0.1	2005
It is agreed that the following minimum requirements will be met:		
d black at a commendate attacked a second and a considerate of continue		
Notify the appropriate district office <i>prior</i> to spudding of well; A copy of the appropriate district of intent to drill <i>shall be</i> posted on each	on drilling do:	
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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.

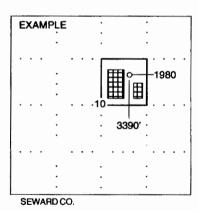
API No. 15	Location of Well: County: Clark
Operator: High Bluff Operating, LLC	450 feet from V N / S Line of Section
Lease: Cauther	400 feet from E / ✓ W Line of Section
Well Number: 2	Sec. 13 Twp. 34 S. R. 25 ☐ East ✓ West
Field: McKinney	
Number of Acres attributable to well:	Is Section: Regular or Irregular
QTR / QTR / QTR of acreage: SENW - NW - NW	If Section is irregular, locate well from nearest corner boundary.
	Section comer 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.)

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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: (C0-7 for oil wells; CG-8 for gas wells).

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

February 2, 2005

Mr. Jamie Brown High Bluff Operating, LLC 1738 Wynkoop Ste 302 Denver, CO 80202

RE:

Drilling Pit Application
Cauther Lease Well No. 2
NW/4 Sec. 13-34S-25W
Clark County, Kansas

Dear Mr. Brown:

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 practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed on a daily basis.

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. Also, please file the enclosed CDP-5 form, Surface Pond Waste Transfer, 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 undersigned at the above address.

Sincerely,

Kathy Haynes

Environmental Protection and Remediation Department

cc: S Durrant