3.12.05 For KCC Use: Effective Date: District #___

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Form C-1 Porm C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

Mame: VAI Energy Inc			Must be app	proved by KCC five	e (5) days prior to commencing well	
Separation Section S	Expected Spud Date				•	
Section Sect			,	•		
Section Sect	OPERATOR: License#		(6.	30-05)		
Contact Person: K. Todd. Al Lam	Name: VAL	Energy Inc				
Contact Person: K. Todd Allam Phone: 316-263-6688 COUNTRACTOR Ucenser: 30141 (6:30-07) Name: Summitt Drilling Well Onlied For: Well Class: Type Equipment: Gas Storage Onle Induel Will Class: Type Equipment: Salamatic Evaluation: See No. Storage Onle O	Address:Box	116			Is SECTION _x_RegularIrregular?	
Contractor. Licenses 30141 (C 30.07) Name: Summitt Drilling C Well F. Well F. Well F. Well Glass: Type Egupment: Summitt Drilling C Well F. Well Glass: Type Egupment: Gas Storage Pool Est. Mrd Rolary Gas Storage Pool Est. Mrd Rolary Gas Storage Pool Est. Mrd Rolary Ground Sarkae Elevation: set Holes Gable Sadamic: set Holes Grow Wideat Ground Sarkae Elevation: set Holes Grow Wideat For Well Sadamic: set Holes Grow Wideat If CWWC: did well information as follows: Organia Completion Date: Original Total Depth: Jack Grow Wideat Original Completion Date: Original Total Depth: Jack Grow Wideat FED 0 1 2005 Will Yes, true vertical depth: Jack Grow Wideat Will Yes, true vertical depth: Jack Grow Wideat Will Farm Pond Other Haul Directional, Deviated or Horizontal wellbors: Will Yes, true vertical depth: Jack Grow Will Yes Conductor Pipe required: FED 0 1 2005 Will Yes, true vertical depth: Jack Grow Will Yes Conductor Pipe required: Will Farm Pond Other Haul DWR Permit #: Will Cores be talken? Will Farm Pond Other Haul DWR Permit #: Will Cores be talken? If Yes, proposed zone: Will Farm Pond Other Haul Will Farm Pond Other Haul DWR Permit #: Not the depth with DWR Jack States of the Will Yes, Inc. Will Farm Pond Other Haul DWR Permit #: W	City/State/Zip: Wich	ita. Ks.	67201		(Note: Locate well on the Section Plat on reverse side)	
CONTRACTOR: License# 30.141 (6.30-07) Name: Summitt Drilling Co. Name: Summ					County: Sumner	_
Second Field Seco					Lease Name: Wyant Well #: V-1	_
Name: Summitt Drilling Co. Well Class: Type Eguipment: Miss Name: Co. Co	CONTRACTOR: License#	30141	((30-051		/
Well Drilled For Well Class: Type Egipment: Ground Surface Pleavaion: feet MSL f					\\\ \dagger_{\text{\tin}\text{\ti}\tint{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\tin}\tint{\texi}\tint{\text{\text{\text{\text{\text{\text{\text{\text{\text{\ti}\tint{\text{\text{\texi}\tinz{\text{\texi}\text{\text{\texi}\titt{\text{\texi}\tint{\text{\texi}\ti}\titt{\text{\text{\texit{\tin}\tint{\text{\texi{\text{\texi}\tint{\text{\texit{\texi}	10 -
Well Drilled For Well Class: Type Egulpment:		/			larger Formation(s).	
Self Enh Rec	Well Drilled For:	Well Class:	Туре	Equipment:	Troublest coase of any sourcery.	
Gas Storage Pool Ext Air Polary Wildcat Cable Ca	▼ Oi Enh R	lec Infield	-	Aud Rotary		
Seismic: of Holes Other		ge Pool E		-		
Selsimic;s of Holes Other		• =		•	120 /7/4/ 5	
Depth to bottom of usable water Surface Pipe by Alemate: 1 2 2.55 M.n.					Depth to bottom of fresh water:	rock
If OWWO: old well information as follows: Operator. Operator. Operator. Well Name: Original Completion Date: Original Total Depth:: Directional, Deviated or Horizontal wellborg? Pres No. If Yes, true vertical depth:: ANSAS CORPORATION COMMISSION KCC DKT 9: FEB 1 2005 KC ONJUGO F PE 1 3 Required fer MP A INNERNATION DIVISION A FIDAUT A INNERNATION DIVISION A FID					Depth to bottom of usable water:	_
Cowword of well information as follows: Operator: Well Name: Original Total Depth: Original Total Depth: Original Completion Date: Original Total Depth: Original Completion Date: Original Total Depth: Original Completion Date: Original Total Depth: O					Surface Pipe by Alternate: x 1 2	
Operator: Well Name: Original Completion Date: Original Complete Date: Original Completion Date: Original Completion Date:	If OWWO: old well information	ation as follows:			Length of Surface Pipe Planned to be set.	Jahr
Well Name: Original Completion Date: Original Total Depth: Pressure vertical depth: Name:	Operator:				Changin of Conductor Pipe required:	
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Bottom Hole Location: ANSAS CORPORATION COMMISSION (Note: Apply for Permit with DWF) Will Cores be taken? If Yes, proposed zone: If Yes proposed zon					Water Source for Drilling Operations:	
Bottom Hole Location: ANSAS CORPORATION COMMISSION (Note: Apply for Permit with DWF) Will Cores be taken? If Yes, proposed zone: If Yes proposed zon	Directional, Deviated or He	orizontal wellborg?	FCEWER	Yes Mo	Well Farm Pond Other Haul	
Section Hole Location:	If Yes, true vertical depth:	KÁNSAS COR	PORATIONIC	MMISSION	DWR Permit #:	_ /
**Conductor Pipe 13 **Required Per Mp1 4 ONSERVATION DIVISION **Required Per Mp1 4 ONSERVATION DIVISION **AFIDAVIT AFIDAVIT AF	Bottom Hole Location:			MINIOGION	(Note: Apply for Permit with DWR 🔲)	
**Conductor Pipe 13 **Required Per Mp1 4 ONSERVATION DIVISION **Required Per Mp1 4 ONSERVATION DIVISION **AFIDAVIT AFIDAVIT AF	KCC DKT #:	FFI	3 N 1 20	<u> </u>	· Will Cores be taken?	No
Required fer Ap A ONSERVATION DIVISION AFFIDAVIT A INDIALY A CONDUCTOR PITE, MIN. 12 MICHTAKS 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 any befief. Date: Signature of Operator or Agent File Completion Form ACC-1 within 120 days of spud date; File Completion Form ACC-1 within 120 days of spud date; File Completion Form ACC-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; Ordain written approval before disposing or injecting salt water. If this permit has expired (See: authorized expiration date) please che	* Conductor Pipe	6	,		If Ves proposed zone:	
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For KCC Use ONLY API # 15 - 191 / 22450 00 · 00 Gent Conductor pipe required 6 feet Per Alt. 1 File Completion Form ACO-1 within 120 days of spud date; Minimum surface pipe required 5 feet per Alt. 1 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:	must be completed	d within 30 days o	of the spud of	ate or the well sha	all be plugged. In all cases, NOTIFY district office prior to any cementing.	
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For KCC Use ONLY API # 15 - 191 22450 00 00 Geet Conductor pipe required 550 feet per Alt. 1 File Completion Form ACO-1 within 120 days of spud date; Approved by 50 3-5 05 This authorization expires: 9.5 05 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent: Date: Date: Date:	Date:	Signature of	Operator or	Agent	Title: July	
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API # 15 - 191 · 22450 · 00 · 00 Conductor pipe required	F K00 H 01114					
Conductor pipe required	FOR RCC Use ONLY	2245	\wedge \wedge	00		
Conductor pipe required	API # 15					4
Minimum surface pipe required 250 feet per Alt. 1 2 Approved by C 3-5 05 This authorization expires: 9.5 05 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:	Conductor pipe required	عے کے	,0	eet		
Approved by \$\frac{3-5.05}{\text{This authorization expires: 9.5.05}} \tag{Obtain written approval before disposing or injecting salt water.} \text{- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.} \text{- Well Not Drilled - Permit Expired Signature of Operator or Agent: Date: } \text{- Date: } - Date	1	2	-^	_		
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Date:	Count day					1 '-
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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: Summer
Operator:VAL Energy Inc	•
Lease: Wyant	660feet from E / k W Line of Section
Well Number: V-1	Sec. 4 Twp. 30S S. R. 1E X East Wes
Field:	
Number of Acres attributable to well:	Is Section: 🗓 Regular or 🔲 Irregular
QTR / QTR / QTR of acreage:	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.)

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	·			ONSERVATION DIVISION WICHITA, KS
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8) 	· · · · · · · · · · · · · · · · · · ·	·	3390'
	1		·	
	•	•		SEWARD CO.

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

in plotting the proposed location of the well, you must show:

- 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.
- 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

March 7, 2005

Mr. Todd Allam Val Energy, Inc. Box 116 Wichita, KS 67201

Re: Drilling Pit Application

Wyant Lease Well No. V-1 NW/4 Sec. 04-30S-01E Sumner County, Kansas

Dear Mr. Allam:

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 **all pits must be lined with bentonite**. 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 72 hours 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 (316) 630-4000 when the fluids have been removed. Also, please file the enclosed CDP-5, 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: Doug Louis