

CORRECTED

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

For KCC Use: 3-2-05
Effective Date: 2
District # 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Expected Spud Date March 25 2005
month day year

OPERATOR: License# 5214 (6-30-05)
Name: Lario Oil & Gas Co.
Address: 301 South Market
City/State/Zip: Wichita, KS 67202
Contact Person: Jay G. Schweikert
Phone: 316-265-5611

CONTRACTOR: License# 5822 (6-30-05)
Name: Val Energy, Inc.

Well Drilled For: Oil Enh Rec Gas Storage OWWO Disposal Seismic; # of Holes Other
Well Class: Infield Pool Ext. Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable
Per Jay Schweikert (Lario) 3/29/05

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 #: _____

**WAS: Duke Drilling Lic. 5929
IS: Val Energy Inc 5822* } Contractor Change 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: 2/15/05 Signature of Operator or Agent: Jay G. Schweikert Title: Operations Engineer

For KCC Use ONLY
API # 15 - 095-21949-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. ① ②
Approved by RJP 2-25-05 / RJP 3-29-05
This authorization expires 8-25-05
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

Spot C E2 SW Sec. 29 Twp. 28 S. R. 05 East West
1320 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)
County: Kingman
Lease Name: Davis Well #: 1-29
Field Name: Broadway
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian & Simpson
Nearest Lease or unit boundary: 660
Ground Surface Elevation: 1456 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
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 280
Length of Conductor Pipe required: None
Projected Total Depth: 4300 ft.
Formation at Total Depth: Simpson
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: _____

Jay G. Schweikert
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: FEB 16 2005

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RECEIVED
FEB 16 2005