For KCC Use:	5.15.05
Effective Date:	0.15.00
District #	

Kansas Corporation Commission Oil & Gas Conservation Division

Form C-1 December 2002 Form must be Typed

Expected Spud Date	- I I I I I I I I I I I I I I I I I I I	TENT TO DRILL Form must be Signed (5) days prior to commencing well Form must be Filled
OPERATOR Licenses	May 18 2005	
APERATOR: Licenses 5822	Expected Spud Date	00 00
OPERATOR: Licenses South Address: Box 116 Section E W Line of Section Address: Box 116 Section E W Line of Section Address: Box 116 Section E W Line of Section Address: Box 116 Section E W Line of Section Contact Person: Todd Allam CountractOR: Licenses 5822 Name: VAIL Energy Inc. Well Drilled Fo: Well Class: Type Equipment:		0cc 1wp 0.11, 1. west
SECTION Sequilar Irregular Irregular Merit Cases Merit Cas	OPERATOR: License#	Teet Holli
Mote: Locate well on the Section Plat on reverse side)	1141110	
Country Early Country Barbor Country B	Wichita Ke 67201	is Section rregular?
Contractors Lease Name Frieden Well # V-1-29 Lease Name	City/State/zip:	
CONTRACTOR: Licenses	346 363 6600	County: Darber
Second Float Special Float	Phone:	
Target Formation(s): Mississipplian Mississipplian Mace Mississipplian Mississipplian Mace Mississipplian Mace Mississipplian Mace Mississipplian Mace Mississipplian Mace Mississipplian Mississipplian Mace Mississipplian Mississipplian Mace Mississipplian Mississipplian Mace Mississipplian Mississipplian Mississipplian Mace Mississipplian Mississipplian Mace Mississipplian Mississipplian Mac	CONTRACTOR: License# 5822	
Near	Name: VAL Energy Inc.	is this a Prorated / Spaced Field?
Sound Surface Elevation: Second Surface Elevation: S		
Value Valu	Well Drilled For: Well Class: Type Equipment:	
Suismic; # of Holes Other Oth	Oil Enh Rec Infield ✓ Mud Rotary	
Depth to bottom of fresh water. Depth to bottom of fresh water.		
Seismic: # of Holes Other		
Surface Pipe by Alternate:		.9 ~
If OWWO: old well information as follows: Operator: Well Name: Original Completion Date: Original Total Depth: Projected Total Depth: Well Name: Original Completion Date: Original Total Depth: Projected Total Depth: Well Name: Original Completion Date: Original Completion Date: Original Total Depth: Projected Total Depth: Wills. Water Source for Drilling Operations: Well VF Farm Pond Other Will Cores be taken? If Yes, proposed zone: If Yes, proposed zone: 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 amound of surface pipe as specified below shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation. If the appropriate district office will be notified before well is either plugged or production casing is cemented in; 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 darea, alternate II cement must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district affice prior to any cementing. I hereby certify that the statements made herein are true and to the bast of my kpowledge and Belief. Pate: 3-15-2005 Signature of Operator or Agent: For KCC Use ONLY API # 15 . O.S (This authorization expires: I 1 1 0 - O.S (This authorization void if drilling not started within 6 months of effective date.) Submit plugging repor (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 a	Other	
Operator: Well Name: Original Completion Date: Original Completion Dat	If OWWO: old well information as follows:	
Projected Total Depth: 4700 Projected Total Depth: 4700 Promation at Total Depth: Projected Total Depth: Project		Length of Conductor Pipe required: none
Directional, Deviated or Horizontal wellibros		Projected Total Depth: 4700
Vise, true vertical depth: RECEIVED Ves No No No RECEIVED No Received No Received No Received No Received No Received No Received No Received No Received No Received No Received No Received No Received No No No No No No No N	Original Completion Date:Original Total Depth:	Formation at Total Depth:Miss.
Bottom Hole Location: KANSASCORPORATION COMMINISTY MAY 0.6 2005 Will Cores be taken? If Yes, proposed zone: CONSERVATION DIVISION 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 approved notice of intent to drill shall be posted on each drilling rig; 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 cement must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district affice prior to any cementing. I hereby certify that the statements made herein are true and to the best of my kgowledge and Belief. Date: 3-15-2005 Signature of Operator or Agent: File Drill Pil 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 house prior to workover or re-entry; Submit plugging report (CP-4) after plugging is completed; Pile acreage attribution plate according to field proration orders; Notify appropriate district office 48 house prior to w		Water Source for Drilling Operations:
Bottom Hole Location: KANSAS CORPORATION COMMISSION KCC DKT #:	Directional, Deviated or Horizontal Wellbore? Yes V No	Well ✓ Farm Pond Other
Will Cores be taken? If Yes, proposed zone: CONSERVATIONDINISION 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 wile 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 cement 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 bast of my kgowledge and Bellef. Pate: President For KCC Use ONLY API # 15 - OO	If Yes, true vertical depth:	
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For KCC Use ONLY API # 15 - OO7 - 22899 · OOO Conductor pipe required NoNE feet Minimum surface pipe required 200 feet per Alt 1 * Approved by: 257510-05 This authorization expires: 11-10-05 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent: 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:	I hereby certify that the statements made herein are true and to the bast of	f my knowledge and belief.
For KCC Use ONLY API # 15 - OO7 - 22899 · OOO Conductor pipe required NONE feet Minimum surface pipe required 2000 feet per Alt 1 ** Approved by: 256-0-05 This authorization expires: 110-05 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent: Date:	Date: 3-15-2005 Signature of Operator or Agent:	Accom Title: President
API # 15 - OO7 - ZZ 8 9 7 · OOO Conductor pipe required NONE feet Minimum surface pipe required 20C0 feet per Alt 1 • Submit plugging report (CP-4) after plugging is completed; Approved by: 2 5 5 0 - 05 This authorization expires: 1 1 0 - 05 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent: Signature of Operator or Agent: Date: - 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:		Remember to:
This authorization expires: 11.10-05 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent: Agent: Date:	API # 15 - 007 - 22897 - 000 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt 1 2	- 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;
Spud date: Agent: Signature of Operator or Agent: Date:	This authorization expires: 11.10-05	- If this permit has expired (See: authorized expiration date) please
Spud date: Agent: Signature of Operator or Agent: Date:	(This authorization void if drilling not started within 6 months of effective date.)	
Date:	Soud date: Agent:	-
	Opud data	
Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202	Mail to: KCC - Conservation Division, 130	

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 We	ell: County:_Barber
Operator: VAL Energy Inc.	495	feet from N / S Line of Section
Lease: Frieden	495	feet from E / V Line of Section
Well Number: V-1-29	Sec. 29	_ Twp33 S. R10 East
Field:		
Number of Acres attributable to well:	Is Section:	✓ Regular or Irregular
QTR / QTR / QTR of acreage: 200'NE - swsw	_ SW	
		rregular, locate well from nearest corner boundary.
	Section corner	used: NE NW SE SW
	PLAT	
(Show location of the well	and shade attributable acreage for	proreted or spaced wells)
	and shade allibulable acreage for lage to the nearest lease or unit bou	
(0.00.0.00		,
		RECEIVED
		*ANSAS CORPORATION COMMISSION
		MAY 0 6 2005
		ייורו עיט געעט
		CONSERVATION DIVISION
		WICHITA KS
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		EXAMPLE
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		1980
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		3390'
75'		
		SEWARD CO

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.

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

- 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).



CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

May 10, 2005

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

RE: Drilling Pit Application

Frieden Lease Well No. V-1-29 SW/4 Sec. 29-33S-10W Barber 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 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 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