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SEP 02 2005

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

For KCC Use: Effective Date: 9-12-05 District # 1 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

KCC WICHITA

Expected Spud Date September 10, 2005 month day year

Spot NE 1/2 SW 1/4 Sec. 13 Twp. 31 S. R. 22 East West 1600 feet from N / S Line of Section 2710 feet from E / W Line of Section Is SECTION Regular Irregular?

OPERATOR: License# 5316 Name: Falcon Exploration, Inc. Address: 155 N. Market, Ste 1020 City/State/Zip: Wichita, KS 67202 Contact Person: Ron Schraeder / Micheal S. Mitchell Phone: 316-262-1378

CONTRACTOR: License# KLN5822 Name: Val Energy, Inc.

Well Drilled For: Oil Gas OWWO Seismic; # of Holes Well Class: Enh Rec Storage Disposal 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? If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

(Note: Locate well on the Section Plat on reverse side) County: Clark Lease Name: Giles Well #: 2 Field Name: Lexington NW Is this a Prorated / Spaced Field? Target Formation(s): MRW, Mississippi, Viola Nearest Lease or unit boundary: 1650 Ground Surface Elevation: APPR 2222' feet MSL Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: 180' Depth to bottom of usable water: 200' Surface Pipe by Alternate: Length of Surface Pipe Planned to be set: 831' Length of Conductor Pipe required: 44' Projected Total Depth: 6300' Formation at Total Depth: VIOLA Water Source for Drilling Operations: DWR Permit #: Will Cores be taken? If Yes, proposed zone:

\*Unit info att

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: 9/1/05 Signature of Operator or Agent: [Signature] Title: ENGINEER

For KCC Use ONLY API # 15 - 025.21312.00.00 Conductor pipe required NONE feet Minimum surface pipe required 220 feet per Alt. 1 Approved by: RJP 9-7-05 This authorization expires: 3-12-06 (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. - 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:

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

13 31 22

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KCC WICHITA

**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 - \_\_\_\_\_  
Operator: Falcon Exploration, Inc.  
Lease: Giles  
Well Number: 2  
Field: Lexington NW

Location of Well: County: Clark  
\_\_\_\_\_ feet from  N /  S Line of Section  
2710 feet from  E /  W Line of Section  
Sec. 13 Twp. 31 S. R. 22  East  West

Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: NE - SE - NW

Is Section:  Regular or  Irregular

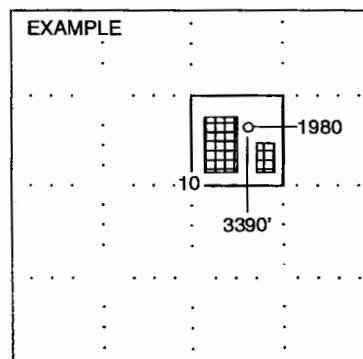
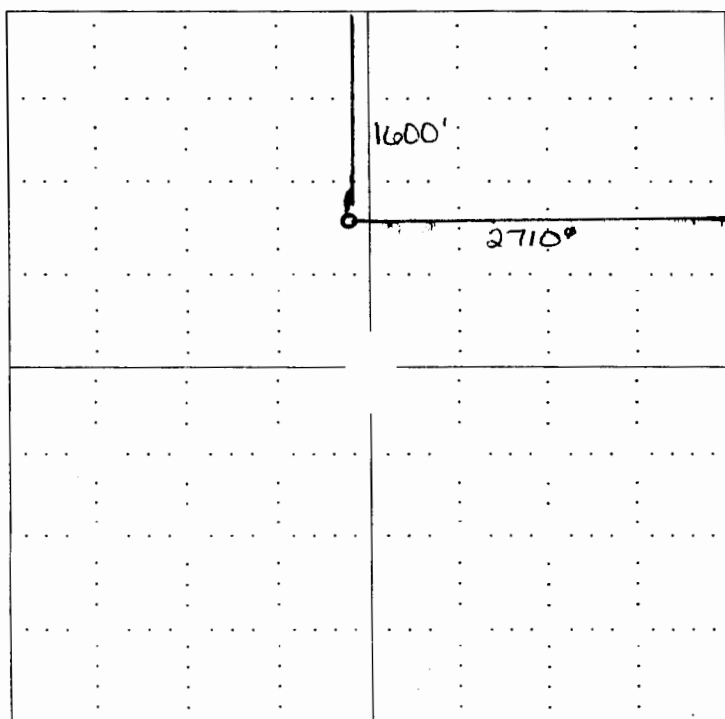
**If Section Is Irregular, locate well from nearest corner boundary.**

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.)*



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:**

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).

# KANSAS

CORPORATION COMMISSION

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

September 7, 2005

Mr. Earl J. Joyce, Jr.  
MIDCO Exploration, Inc.  
414 Plaza Drive Ste 204  
Westmont, IL 60559

RE: Drilling Pit Application  
Shaw Lease Well No. 2-4  
NE/4 Sec. 04-34S-23W  
Clark County, Kansas

Dear Mr. Joyce:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, 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. **Please keep the pits away from the drainage.**

**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. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: [www.kcc.state.ks.us/conservation/forms](http://www.kcc.state.ks.us/conservation/forms).

**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