

For KCC Use:

Effective Date: 10-3-05

District # 1

SGA? Yes No

OWWO
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED
SEP 27 2005

Form C-1
December 2002

Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

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

KCC WICHITA

Expected Spud Date October 20 2005
month day year

OPERATOR: License# 33235
Name: Chieftain Oil Co., Inc.
Address: PO Box 124
City/State/Zip: Kiowa, KS 67070
Contact Person: Ron Molz
Phone: 620-825-4338

CONTRACTOR: License# 5822
Name: Val Energy, Inc.

Well Drilled For: Oil Gas OWO Seismic; # of Holes Other
 Enh Rec Storage Disposal # of Holes Other
Well Class: Infield Pool Ext. Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable

If OWWO: old well information as follows:
Operator: Petroleum, Inc.
Well Name: #1 Circle "B"
Original Completion Date: 10-3-58 Original Total Depth: 4662

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

*** SEE UIC LETTER**

Spot NW - NW - SE Sec. 13 Twp. 33S S. R. 11
2310 feet from N / S Line of Section
2310 feet from E / W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Barber
Lease Name: Newton Well #: SWD#1

Field Name: _____
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle

Nearest Lease or unit boundary: _____
Ground Surface Elevation: 1534 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: 140
Depth to bottom of usable water: 180
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 263 feet

Length of Conductor Pipe required: NONE
Projected Total Depth: 6000
Formation at Total Depth: Arbuckle

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: _____

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: 09-26-05 Signature of Operator or Agent: R. M. J. Title: President

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: _____

For KCC Use ONLY

API # 15 - 007-016230001
Conductor pipe required NONE feet
Minimum surface pipe required 263' feet per Alt. 1
Approved by: RJP 9-28-05
This authorization expires: 3-28-06
(This authorization void if drilling not started within 6 months of approval date.)
Spud date: _____ Agent: _____

133314

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

September 28, 2005

Mr. Ron Molz
Chiefton Oil Co., Inc.
PO Box 124
Kiowa, KS 67070

RE: Drilling Pit Application
Newton Lease Well No. SWD
SE/4 Sec. 13-33S-11W
Barber County, Kansas

Dear Mr. Molz:

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 practical after drilling operations have ceased. **The pits should be located outside of the draws.**

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.

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