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MAR 07 2006

For KCC Use: 4-18-06
Effective Date: 2
District #
SGA? [X] Yes [] No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date April 15 2006
month day year

OPERATOR: License# 5030
Name: Vess Oil Corporation
Address: 8100 E. 22nd St North, Bldg. 300
City/State/Zip: Wichita, KS 67226
Contact Person: W.R. Horigan
Phone: 316-682-1537 X102

CONTRACTOR: License# 5822
Name: VAL Energy, Inc., Rig #3

Well Drilled For: Oil, Gas, OWWO, Seismic, Other
Well Class: Enh Rec, Storage, Disposal, 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?
Bottom Hole Location:
KCC DKT #:

Spot C E/2 - NW - NE Sec. 27 Twp. 28S S. R. 08W
660' feet from N / S Line of Section
1650' feet from E / W Line of Section
Is SECTION Regular Irregular?

County: Kingman
Lease Name: Young Well #: #4
Field Name: Garlish SW

Is this a Prorated / Spaced Field? Yes No
Target Information(s): Mississippi
Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 1625' est. 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: 200
Depth to bottom of usable water: 220
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 275
Length of Conductor Pipe required: none
Projected Total Depth: 4300'
Formation at Total Depth: Mississippi

Water Source for Drilling Operations: Well Farm Pond Other X
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: 3/6/06 Signature of Operator or Agent: Casey Boots Title: Operations Engineer

For KCC Use ONLY
API # 15 - 095-22032-0000
Conductor pipe required None feet
Minimum surface pipe required 240 feet per Alt. 1X
Approved by: PCH 4-13-06
This authorization expires: 10-13-06
(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

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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 - 095-22032-0000
Operator: Vess Oil Corporation
Lease: Young
Well Number: #4
Field: Garlish SW

Location of Well: County: Kingman
660' feet from N / S Line of Section
1650' feet from E / W Line of Section
Sec. 27 Twp. 28S S. R. 08W East West

Number of Acres attributable to well:
QTR / QTR / QTR of acreage: CE/2 - NW - NE

Is Section: Regular or Irregular

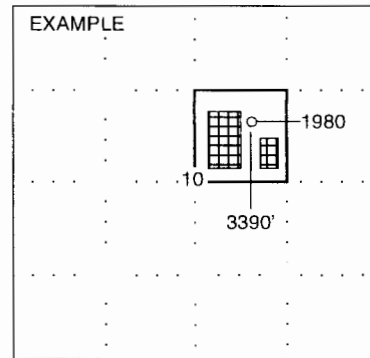
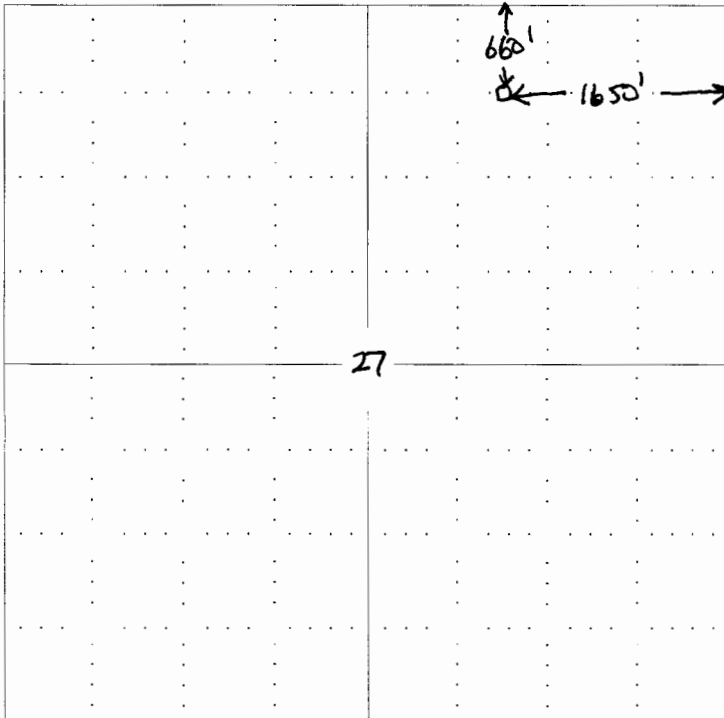
If Section is Irregular, locate well from nearest corner boundary.

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.)



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

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
OIL & GAS CONSERVATION DIVISION

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Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

KCC WICHITA

Submit in Duplicate

Operator Name: VESS OIL CORPORATION		License Number: 5030
Operator Address: 8100 E. 22nd Street North, Bldg. 300, Wichita, KS 67226		
Contact Person: W.R. Horigan		Phone Number: (316) 682 - 1537 X103
Lease Name & Well No.: Young #4		Pit Location (QQQQ): C E/2 NW NE
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 3000 (bbls)	Sec. 27 Twp. 28S R. 08 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660' Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1650' Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Kingman County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? clay and bentonite
Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 3 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. N/A		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. N/A
Distance to nearest water well within one-mile of pit 1326 feet Depth of water well 100 feet		Depth to shallowest fresh water 200 38 feet. Source of information: KMFW 6 _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: fresh water, mud Number of working pits to be utilized: none-all steel-reserve pit only Abandonment procedure: water removed, let dry out, filled and compacted Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
_____ 3/6/06 Date		Casey Goats _____ Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: 3/7/06 Permit Number: _____ Permit Date: 4/12/06 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Line w/ Bent, REAS 72HRJ

15-095 - 22032 - 000

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

* PUBLIC WATER SUPPLY WELL 2113' - Sec. 22-28S-08W NESESE
Depth - 29'

KANSAS

CORPORATION COMMISSION

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

April 12, 2006

Mr. W.R. Horigan
Vess Oil Corporation
8100 E. 22nd St North, Bldg 300
Wichita, KS 67206

Re: Drilling Pit Application
Young Lease Well No. 4
NE/4 Sec. 27-28S-08W
Kingman County, Kansas

Dear Mr. Horigan:

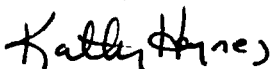
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and **all pits must be lined with bentonite**. The free fluids must be removed. The fluids are to be removed from the 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 from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

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. Please file form CDP-5 (August 2004), 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: Doug Louis

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us