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JUN 22 2006

Form C-1
December 2002

For KCC Use: 7-1-06
Effective Date: 7-1-06
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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 July 10 2006
month day year

OPERATOR: License# KLN 4767 ✓
Name: Ritchie Exploration, Inc.
Address: PO 783188
City/State/Zip: Wichita, KS 67278-3188
Contact Person: Craig Caulk
Phone: 316-691-9500

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

Well Drilled For: Oil Gas OWWO Seismic; # of Holes Other
 Enh Rec Storage Disposal
Well Class: 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? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

Spot 53' w of
S/2 SE SW Sec. 17 Twp. 27 S. R. 23 East West
330 feet from N / S Line of Section
1927 feet from E / W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Ford
Lease Name: Steele Trust Well #: 1
Field Name: _____
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian ✓
Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 2417.2 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: 780 ✓
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 400'
Length of Conductor Pipe required: 80' of 20"
Projected Total Depth: 6050'
Formation at Total Depth: Arbuckle
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: June 21, 2006 Signature of Operator or Agent: [Signature] Title: GIS Specialist / Geological Technician

For KCC Use ONLY

API # 15 - 057-20574-0000
Conductor pipe required None feet
Minimum surface pipe required 220 feet per Alt. XO
Approved by: RAG 626-06
This authorization expires: 12-26-06
(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: _____

17 27 23W

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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 - 057-20574-000
Operator: Ritchie Exploration, Inc.
Lease: Steele Trust
Well Number: 1
Field: _____

Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: S/2 - SE - SW

Location of Well: County: Ford
330 feet from N / S Line of Section
1927 feet from E / W Line of Section
Sec. 17 Twp. 27 S. R. 23 East West

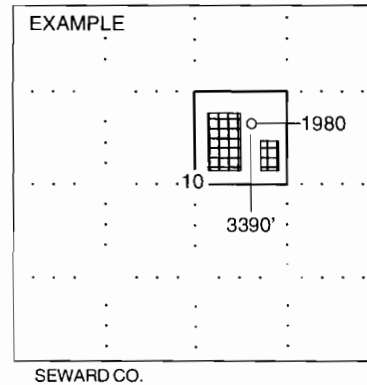
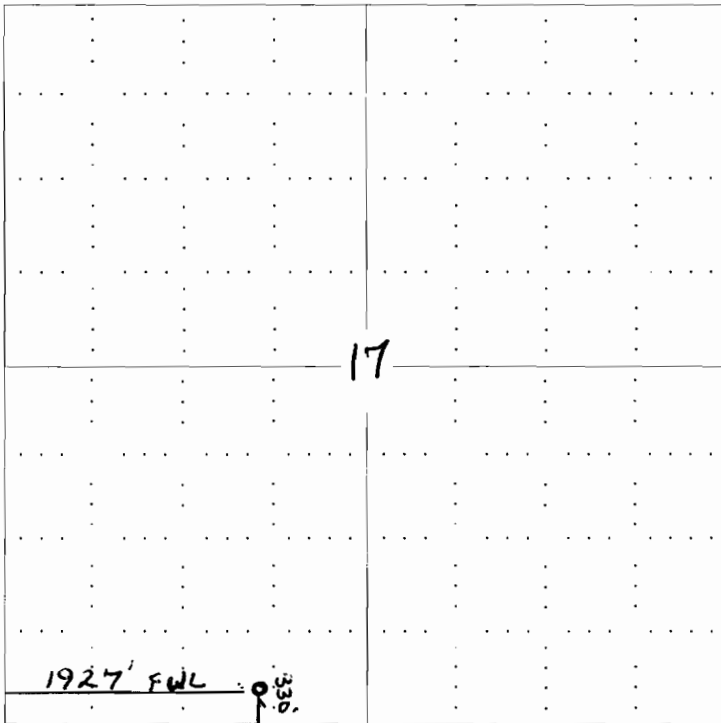
Is Section: Regular or Irregular

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 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: (C0-7 for oil wells; CG-8 for gas wells).


KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

RECEIVED
JUN 22 2006

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

KCC WICHITA

Operator Name: Ritchie Exploration, Inc.		License Number: KLN 4767
Operator Address: PO 783188 Wichita, KS 67278-3188		
Contact Person: John Niernberger		Phone Number: (316) 691 - 9500
Lease Name & Well No.: #1 Steele Trust		Pit Location (QQQQ): 53'W S/2 SE SW
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: 5009 (bbls)	Sec. 17 Twp. 27 R. 23 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 330 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1927 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Ford County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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? Bentonite / Drilling Mud
Pit dimensions (all but working pits): 75 Length (feet) 75 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 5 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit 1597 feet Depth of water well 115 feet		Depth to shallowest fresh water 13 feet. ^① Source of information: KHKG _____ measured _____ well owner _____ electric log _____ 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 / Chemical Mud Number of working pits to be utilized: 3 Abandonment procedure: Haul off Fluids / Backfill _____ 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.		
June 21, 2006 Date		 Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: 6/22/06	Permit Number: _____	Permit Date: 6/23/06 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

15-057-20574-000

KANSAS

CORPORATION COMMISSION

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

June 23, 2006

Mr. Craig Caulk
Ritchie Exploration, Inc.
PO Box 783188
Wichita, KS 67278-3188

Re: Drilling Pit Application
Steele Trust Lease Well No. 1
SW/4 Sec. 17-27S-23W
Ford County, Kansas

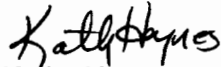
Dear Mr. Caulk:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid that will be disposed. **If a haul-off pit is necessary please file, form CDP-1, Application for Surface Pit.** This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (620) 225-8888. 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.

Sincerely,



Kathy Haynes
Environmental Protection and Remediation Department

Cc: File

KANSAS

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MICHAEL C. MOFFET, COMMISSIONER

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:
 Yes No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: Yes No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment to the haul-off pit application.

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