For KCC Use: 7-10-06 Effective Date: 3 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

Expected Spud Date	Spot N/2-s/2- East
month day year	SE Sec. 21 Twp. 18 S. R. 29 West
3 3396	825feet from N / ✓ S Line of Section
OPERATOR: License#33396 Name: Fair Oil, Ltd.	1980 feet from E / W Line of Section
	le SECTION ✓ Begular Irregular?
Address: Total Box 669 City/State/Zip: Tyler Tx 75710 KANSAS CORPORATION COMMISSIO	N
	(Note: Locate well on the Section Plat on reverse side) County: Lane
Phone: 903-510-6527	Lease Name: KS2A McWhirter-Stanley 21-4 Well #: 1
CONSERVATION DIVISION	Field Name: Wildcat
CONTRACTOR: License# WICHITA, KS Name: Val Energy Inc	Is this a Prorated / Spaced Field? Yes ✓ No
Name.	Target Formation(s): Kansas City
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary: 660
✓ Oil ✓ Enh Rec Infield ✓ Mud Rotary ✓	Ground Surface Elevation:
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
OWO Disposal V Wildcat Cable	Public water supply well within one mile: Yes ✓ No
Seismic;# of Holes Other	Depth to bottom of fresh water: estimate 180
Other	Depth to bottom of usable water: estimate 1250
	Surface Pipe by Alternate: 1 2 2
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set: 300'
Operator:	Length of Conductor Pipe required: none
Well Name:	Projected Total Depth: 4800
Original Completion Date:Original Total Depth:	Formation at Total Depth: Mississippian
Bisselies of Besistant on Hadron television (Alberta	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other X
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
AFFI	DAVIT
The undersigned hereby affirms that the drilling, completion and eventual pl	ugging of this well will comply with K.S.A. 55 et. seq.
It is agreed that the following minimum requirements will be met:	
Notify the appropriate district office <i>prior</i> to spudding of well;	
2. A copy of the approved notice of intent to drill shall be posted on each	ch drilling rig;
	of 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	
 If the well is dry hole, an agreement between the operator and the d The appropriate district office will be notified before well is either plug 	istrict office on plug length and placement is necessary <i>prior to plugging</i> ;
The appropriate district office will be notified before well is either plug He an ALTERNATE II COMPLETION, production nine shall be cement	ed 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.
	\mathcal{O}
Date: 6-30-06 Signature of Operator or Agent: Kong	Title: Production Manage
	Remember to:
For KCC Use ONLY	- File Drill Pit Application (form CDP-1) with Intent to Drill;
1 - 21939 - (220)	- File Completion Form ACO-1 within 120 days of spud date;
N/ pag	- File acreage attribution plat according to field proration orders;
	Notify appropriate district office 48 hours prior to workover or re-entry;
Minimum surface pipe required 200 feet per Alt. 2	- Submit plugging report (CP-4) after plugging is completed;
Approved by: Put 7-5-06	- Obtain written approval before disposing or injecting salt water.
This authorization expires: 1-5-07	- If this permit has expired (See: authorized expiration date) please
(This authorization void if drilling not started within 6 months of approval date.)	check the box below and return to the address below.
(I I I I I I I I I I I I I I I I I	Well Not Drilled - Permit Expired
Spud date: Agent:	Signature of Operator or Agent:
	Date:

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.

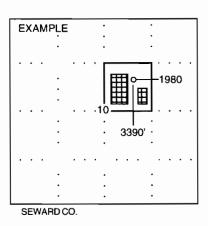
API No. 15 - 101-21939-0000	Location of Well: County: Lane
Operator: Fair Oil, Ltd.	·
Lease: KS2A McWhirter-Stanley 21-4	feet from N / S Line of Section 1980 Feet from E / W Line of Section
Well Number:	Sec. 21 Twp. 18 S. R. 29 East ✓ West
Field: Wildcat	
Number of Acres attributable to well:	Is Section: 📝 Regular or 🗌 Irregular
QTR / QTR of acreage:EL NWSESW	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.)

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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

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Fair Oil, Ltd		License Number: 33396		
Operator Address: P.O. Box 689 Tyler Tx 75710				
Contact Person: Rodney K Thomson		Phone Number: (903) 510 - 6527		
Lease Name & Well No.: KS2A McWhirter-Stanley 21-4 #1		Pit Location (QQQQ):		
Type of Pit:	Pit is:		<u>NW _ SE _ SW</u>	
Emergency Pit Burn Pit	✓ Proposed		Sec. 21 _{Twp.} 18 _{R.} 29	
Settling Pit	If Existing, date co	onstructed:	Feet from North / 🗸 South Line of Section	
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity: (bbls)		Feet from East / West Line of Section County	
Is the pit located in a Sensitive Ground Water	Area? ☐ Yes ✓	(55.6)	Chloride concentration: mg/l	
Is the bottom below ground level?	Artificial Liner?		(For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used?	
✓ Yes No	☐ Yes 🗸	No	·	
Pit dimensions (all but working pits):	Length (fe	eet) 80	Width (feet) N/A: Steel Pits	
Depth fi	om ground level to de	eepest point:	4 (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. May use steel pits				
590 Source of info				
leet Depth of water well _	Total Depart of Water West			
		al utilized in drilling/workover: Fresh		
		king pits to be utilized: 3		
		procedure: Evaporation, then backfill		
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No 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.				
6-30-06 Date	K	adnsk .	Signature of Applicant or Agent	
KCC OFFICE USE ONLY				
Date Received: 7/5/06 Permit Num	nber:	Perm	it Date: 7/5/06 Lease Inspection: Yes No	