

RECEIVED *OWWO*  
 AUG 08 2006  
 KCC WICHITA

For KCC Use:  
 Effective Date: 8-14-06  
 District # 1  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 December 2002

NOTICE OF INTENT TO DRILL

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 8/14/06  
 month day year

Spot  East  
 100' S - NW - SE Sec. 9 Twp. 31S S. R. 15  West  
 1880' feet from  N /  S Line of Section  
 1980' feet from  E /  W Line of Section

OPERATOR: License# 5316  
 Name: FALCON EXPLORATION INC.  
 Address: 125 N. MARKET, SUITE 1252  
WICHITA, KS 67202  
 City/State/Zip:  
 Contact Person: RON SCHRAEDER/MIKE MITCHELL  
 Phone: 316/262-1378

Is SECTION  Regular  Irregular?  
 (Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 5822  
 Name: VAL ENERGY INC

County: BARBER  
 Lease Name: NATIONAL GYPSUM 'A' Well #: 2  
 Field Name: WILDCAT

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input checked="" type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other		<input checked="" type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

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

Nearest Lease or unit boundary: 660'  
 Ground Surface Elevation: 1850 feet MSL  
 Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No

If OWWO: old well information as follows:  
 Operator: RUSSELL MAGUIRE  
 Well Name: NATIONAL GYPSUM #1  
 Original Completion Date: 7/15/48 Original Total Depth: 4920 4922

Depth to bottom of fresh water: 150'  
 Depth to bottom of usable water: 180'  
 Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Required to be set: PREVIOUSLY SET AT 757'  
 Length of Conductor Pipe required: NONE  
 Projected Total Depth: 4920'  
 Formation at Total Depth: ARBUCKLE

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

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: 8/7/06 Signature of Operator or Agent: [Signature] Title: ENGINEER

**For KCC Use ONLY**  
 API # 15 - 007-00425-00-01  
 Conductor pipe required None feet  
 Minimum surface pipe required 757 feet per Alt. 1  
 Approved by: [Signature]  
 This authorization expires: 8-9-07  
 (This authorization void if drilling not started within 6 months of approval 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: \_\_\_\_\_

9  
31  
15W

**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 - 007-00425-00-01  
 Operator: FALCON EXPLORATION INC.  
 Lease: NATIONAL GYPSUM 'A'  
 Well Number: 2  
 Field: W/C  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: 100' S - NW - SE

Location of Well: County: BARBER  
 1880 \_\_\_\_\_ feet from  N /  S Line of Section  
 1980 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 9 Twp. 31 S. R. 15  East  West

Is Section:  Regular or  Irregular

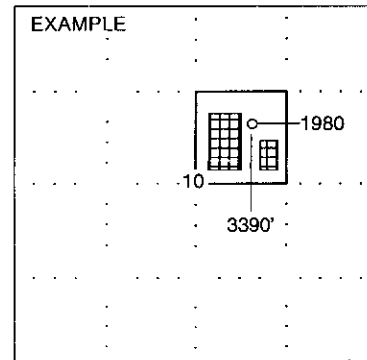
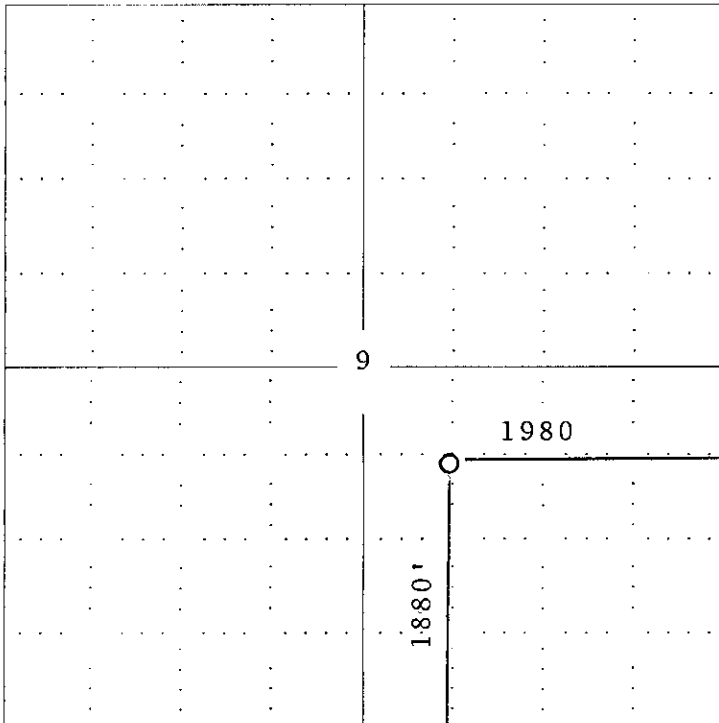
**If Section is Irregular, locate well from nearest corner boundary.**

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.)*

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 KCC WICHITA



**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  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT


RECEIVED

AUG 08 2006

KCC WICHITA

Form CDP-1  
April 2004  
Form must be Typed

Submit in Duplicate

Operator Name: <b>FALCON EXPLORATION INC.</b>		License Number: <b>5316</b>
Operator Address: <b>125 N. MARKET, SUITE 1252, WICHITA, KS 67202</b>		
Contact Person: <b>RON SCHRAEDER</b>		Phone Number: ( <b>316</b> ) <b>262 - 1378</b>
Lease Name & Well No.: <b>NATIONAL GYPSUM 'A' #2</b>		Pit Location (QQQQ): <b>100' S C NW SE</b>
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: _____ (bbls)	Sec. <b>9</b> Twp. <b>31</b> R. <b>15</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1880</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>1980</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>BARBER</b> _____ 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? <b>NATIVE CLAY AND MUD</b>
Pit dimensions (all but working pits): <b>80</b> Length (feet) <b>100</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>3.5</b> (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 <input checked="" type="checkbox"/> NONE _____ feet    Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ measured    _____ well owner    _____ electric log    _____ KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>CHEMICAL MUD</b> Number of working pits to be utilized: <b>3</b> Abandonment procedure: <b>HAUL OFF FREE FLUIDS &amp; ALLOW TO DRY</b> _____ 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.		
_____ 8/7/06 Date		 Signature of Applicant or Agent

15-007-00425-00-01

<b>KCC OFFICE USE ONLY</b>		<b>RFAK</b>
Date Received: <b>8/8/06</b>	Permit Number: _____	Permit Date: <b>8/9/06</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

August 9, 2006

Mr. Ron Schraeder  
Falcon Exploration, Inc.  
125 N. Market Ste 1252  
Wichita, KS 67202

RE: Drilling Pit Application  
National Gypsum A Lease Well No. 2  
SE/4 Sec. 09-31S-15W  
Barber County, Kansas

Dear Mr. Schraeder:

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.

**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 (620) 225-8888 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](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

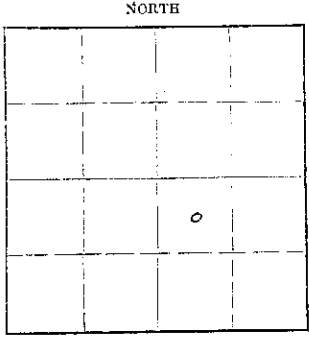
cc: File

Give All Information Completely  
Make Required Affidavit  
Mail or Deliver Report to:  
Conservation Division  
State Corporation Commission  
200 Bitting Building  
Wichita, Kansas

OR  
FORMATION PLUGGING RECORD

Strike out upper line  
when reporting plugging  
of formations.

Barber County. Sec. 9 Twp. 31 Rge. (E) 15 (W)  
Location as "NE¼NW¼SW¼" or footage from lines C NW¼, SE.  
Lease Owner Fleet Drilling & Producing Co.,  
Lease Name National Gypsum Well No. #1  
Office Address Box #722 Ada, Oklahoma.  
Character of Well (completed as Oil, Gas or Dry Hole) Dry Hole  
Date well completed July 15th, 1948  
Application for plugging filed July 13th 1948  
Application for plugging approved July 16th, 1948  
Plugging commenced July 15th, 1948  
Plugging completed July 15th, 1948  
Reason for abandonment of well or producing formation Dry  
If a producing well is abandoned, date of last production \_\_\_\_\_ 19\_\_\_\_  
Was permission obtained from the Conservation Division or its agents before plugging was commenced? Yes



Locate well correctly on above Section Plat

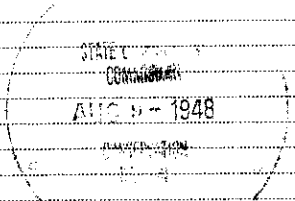
Name of Conservation Agent who supervised plugging of this well C. D. Stough Box #207 Great Bank Kansas.  
Producing formation \_\_\_\_\_ Depth to top \_\_\_\_\_ Bottom \_\_\_\_\_ Total Depth of Well 4922 Feet  
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS				CASING RECORD		
Formation	Content	From	To	Size	Put In	Pulled Out
				10 3/4	757	None

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from \_\_\_\_\_ feet to \_\_\_\_\_ feet for each plug set.

Heavy Rotary Mud from 4922 to 750 Feet.  
20 Sacks Cement (Plug) at 750 Feet Halliburton  
Heavy Mud to 200ft.  
20 Sacks Cement (Plug) at 200feet Halliburton  
Heavy Mud to 20 Feet Bottom cellar  
10 Sacks Cemtn (Plug) 20 Feet Halliburton

Cemented thru Drill Pipe



(If additional description is necessary, use BACK of this sheet)  
Correspondence regarding this well should be addressed to Fleet Drilling & Producing Co.,  
Address Box #722 Ada, Oklahoma.

STATE OF Kansas COUNTY OF Sedgwick, ss.  
R. C. Patton Drilling Contractor ~~Teacher & owner of some property~~ of the above-described well,  
being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed and that the same are true and correct. So help me God.  
(Signature) R. C. Patton  
612 Orpheum Bldg. Wichita 2, Kansas.  
(Address)

SUBSCRIBED AND SWORN to before me this 19th day of July 1948  
R. P. Dunderick  
Notary Public

My commission expires Oct 4th, 1948  
22-2625 2-48-15M

