

**\*CORRECTED**

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**NOTICE OF INTENT TO DRILL**

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

For KCC Use:  
Effective Date: 8-22-06  
District # 1  
SGA?  Yes  No

Expected Spud Date SEPTEMBER 15, 2006  
month day year

OPERATOR: License# 5316  
Name: FALCON EXPLORATION INC.  
Address: 125 N. MARKET, SUITE 1251  
WICHITA, KANSAS 67202  
City/State/Zip:  
Contact Person: RON SCHRAEDER/MIKE MITCHELL  
Phone: 316-262-1378

CONTRACTOR: License# 5822  
Name: VAL ENERGY INC

Well Drilled For:  Oil  Gas  OWWO  Seismic; # of Holes  Other  
Well Class:  Enh Rec  Storage  Disposal  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 #: \_\_\_\_\_

\* WAS: Target Fm: Morrow, Mississippi IS: Morrow, Mississippi, Viola  
\* WAS: Elevation: Est 2150 IS: 2177  
\* WAS: PTD 5350 IS: 6600

Spot 90 S  
NW SW NW Sec. 6 Twp. 31 S. R. 21  East  West  
1740 feet from  N /  S Line of Section  
330 feet from  E /  W Line of Section  
Is SECTION  Regular  Irregular?

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

County: CLARK  
Lease Name: SHRAUNER Well #: 1-6  
Field Name: GRANGER CREEK SOUTH

Is this a Prorated / Spaced Field?  Yes  No

\* Target Formation(s): MORROW, MISSISSIPPI, VIOLA

Nearest Lease or unit boundary: 330'

\* Ground Surface Elevation: 2177 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: 250'

Depth to bottom of usable water: 260'

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 810'

\* Length of Conductor Pipe required: NONE

\* Projected Total Depth: 6600'

\* Formation at Total Depth: ARBUCKLE

Water Source for Drilling Operations:  
 Well  Farm Pond  Other XX

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No

If Yes, proposed zone: \_\_\_\_\_

AFFIDAVIT \* WAS: Formation TO Mississippi IS: Arbuckle

**RECEIVED**  
KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
WICHITA, KS  
SEP 21 2006

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 casing 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: 9/20/06 Signature of Operator or Agent: Ronald Schraeder Title: ENGINEER

For KCC Use ONLY  
API # 15 - 025-21378-0000  
Conductor pipe required None feet  
Minimum surface pipe required 280 feet per Alt. 1  
Approved by: Ruth 8-17-06 / Ruth 9-22-06  
This authorization expires: 2-17-07  
(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: \_\_\_\_\_

10  
31  
21W