

For KCC Use: 12-11-06
Effective Date: 1
District # 1
SGA? ☐ Yes ☒ No

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

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

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

Expected Spud Date December 18, 2006
month day year

OPERATOR: License# 5822
Name: VAL Energy, Inc
Address: 200 W. Douglas Suite 520
City/State/Zip: Wichita, KS 67202
Contact Person: K. Todd Allam
Phone: 316-263-6688

CONTRACTOR: License# 5822
Name: _____

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

If OWWO: old well information as follows:
Operator: Jack Exploration, Inc.
Well Name: Schrock 1-16
Original Completion Date: 11/24/1994 Original Total Depth: 4250'

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

Spot _____ East
C S/2 S/2 SE Sec. 16 Twp. 34S S. R. 10W ☒ West
330 _____ feet from ☐ N / ☒ S Line of Section
1320 _____ feet from ☒ E / ☐ W Line of Section
Is SECTION ☒ Regular ☐ Irregular?

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

County: Barber
Lease Name: Schrock Well #: 1-16 OWWO
Field Name: Unnamed

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Arbuckle

Nearest Lease or unit boundary: 330

Ground Surface Elevation: _____ 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: 100±

Depth to bottom of usable water: 180

Surface Pipe by Alternate: ☒ 1 ☐ 2

Length of Surface Pipe Planned to be set: 228 Set

Length of Conductor Pipe required: None

Projected Total Depth: 5300

Formation at Total Depth: Arbuckle

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: 12/4/06 Signature of Operator or Agent: K. Todd Allam Title: President

For KCC Use ONLY

API # 15 - 007-22464-00-01

Conductor pipe required None feet

Minimum surface pipe required 228 feet per Alt. (1)

Approved by: Butt 12-6-06

This authorization expires: 6-6-07

(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: DEC 05 2006

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

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 - 007-22464-00-01
 Operator: VAL Energy, Inc
 Lease: Schrock
 Well Number: 1-16 OWWO
 Field: Unnamed

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

Location of Well: County: Barber
 330 _____ feet from ☐ N / ☒ S Line of Section
 1320 _____ feet from ☒ E / ☐ W Line of Section
 Sec. 16 Twp. 34S S. R. 10W ☐ East ☒ West

Is Section: ☒ Regular or ☐ Irregular

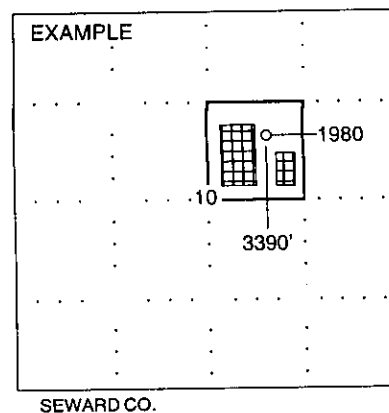
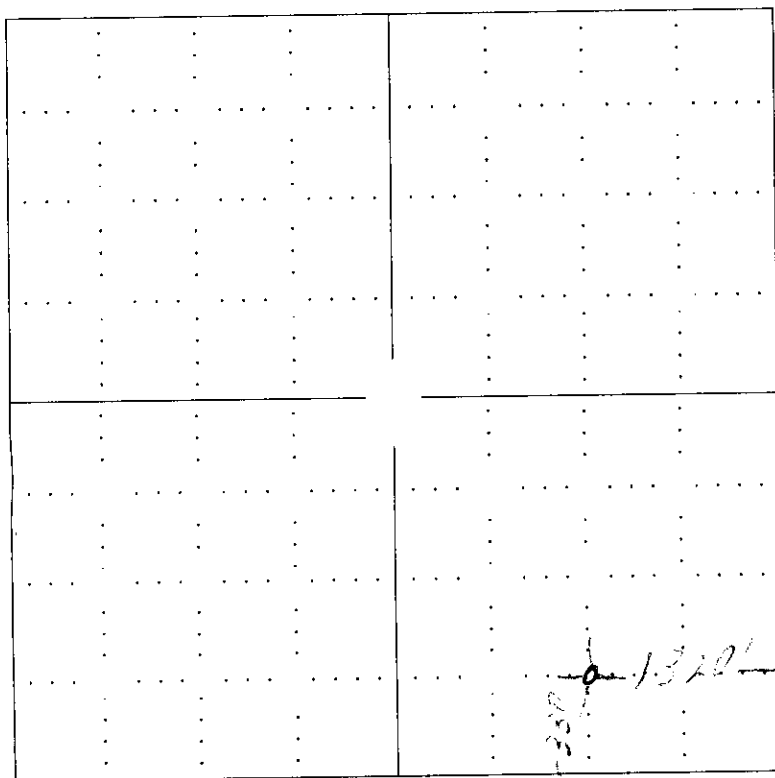
If Section is Irregular, locate well from nearest corner boundary.

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 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).

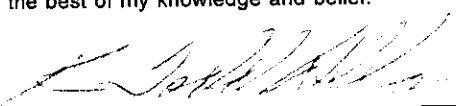
RECEIVED**DEC 05 2006****KCC WICHITA**

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: VAL Energy, Inc.		License Number: 5822
Operator Address: 200 W. Douglas Suite 520 Wichita, KS 67202		
Contact Person: K. Todd Allam		Phone Number: (316) 263 - 6688
Lease Name & Well No.: Schrock 1-16 OWWO		Pit Location (QQQQ): C S/2 S/2 SE/4 Sec. 16 Twp. 34S R. 10W <input type="checkbox"/> East <input checked="" type="checkbox"/> West 330 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1320 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Barber County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input 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: 2000 (bbls)	
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 Bottom
Pit dimensions (all but working pits): 125 Length (feet) 125 Width (feet) 1 Set N/A: Steel Pits Depth from ground level to deepest 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.
Distance to nearest water well within one-mile of pit 4004 feet Depth of water well 18 feet		Depth to shallowest fresh water 13 feet. Source of information: KHGW (18) 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 Mud Number of working pits to be utilized: 1 Steel Abandonment procedure: Let Dry & Cover 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. <div style="display: flex; justify-content: space-between;"> <div> 12/5/06 Date </div> <div>  Signature of Applicant or Agent </div> </div>		

KCC OFFICE USE ONLY

RECEIVED

Date Received: 12/5/06 Permit Number: _____ Permit Date: 12/6/06 Lease Inspection: DEC 15 2006 Yes ☐ No ☐

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

KCC WICHITA

15-007-22464-00-01

OF KANSAS
CORPORATION COMMISSION
Colorado Derby Building
Wichita, Kansas 67202

WELL PLUGGING RECORD
K.A.R.-82-5-117

API NUMBER 1500722464

LEASE NAME Schrock

WELL NUMBER 1-16

330 Ft. from (S) Section Line

1320 Ft. from (E) Section Line

SEC. 16 TWP. 34SRGE. 10 (E) or (W)

COUNTY Barber

Date Well Completed 11/21/94

Plugging Commenced 11/21/94

Plugging Completed 11/22/94

LEASE OPERATOR Jack Exploration, Inc.

ADDRESS P.O. Box 1279, Sulphur, OK 73086

PHONE# (405) 622-2310 OPERATORS LICENSE NO. 03080

Character of Well D&A

(Oil, Gas, D&A, SWD, Input, Water Supply Well)

The plugging proposal was approved on 11/21/94 (date)

by Approval obtained by Butch Steinert, KCC Agent unknown (KCC District Agent's Name).

Is ACO-1 filed? yes If not, Is well log attached? yes

Producing Formation NA Depth to Top Bottom T.D.

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
Elgin Sd	SW	3484	3500	8 5/8"	228	0
Tonkawa Sd (Stalnaker)	SW	3965	4025			

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 each set.
135 sks total 60/40 Pos: 50 sks @ 650, 50 @ 250, 10 @ 40, 10-MH, 15 RH

(If additional description is necessary, use BACK of this form.)

Name of Plugging Contractor Allied Cementing

Address Medicine Lodge, Kansas

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: Jack Exploration, Inc.

STATE OF Oklahoma COUNTY OF Murray

James R. Jack President of Jack Exploration, Inc. (Employee of Operator) or (Operator) of 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 that the same are true and correct, so help me God.

(Signature) James R. Jack

(Address) P.O. Box 1279, Sulphur, OK 73086

SUBSCRIBED AND SWORN TO before me this 9th day of December, 1994

Susan L. Watkinson
Notary Public

My Commission Expires: July 22, 1997

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

December 6, 2006

Mr. Todd Allam
VAL Energy, Inc.
200 W. Douglas Ste 520
Wichita, KS 67202

RE: Drilling Pit Application
Schrock Lease Well No. 1-16 OWWO
SE/4 Sec. 16-34S-10W
Barber County, Kansas

Dear Mr. Allam:

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.

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