

For KCC Use: 12-18-06
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 27 2006
month day year

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

CONTRACTOR: License# 5822
Name: VAL Energy Inc.

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

If OWWO: old well information as follows:
Operator: C E. Kimmell
Well Name: Reece Clark #1
Original Completion Date: 6-30-87 Original Total Depth: 5260

Directional, Deviated or Horizontal wellbore? ☐ Yes ☒ No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Spot ☐ East
C SE SE Sec. 13 Twp. 34S S. R. 11W ☒ West
660 feet from ☐ N / ☒ S Line of Section
660 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: Meyer Well #: 1-SWD
Field Name: _____

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

Target Formation(s): Arbuckle

Nearest Lease or unit boundary: 660'

Ground Surface Elevation: 1342± 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: 180

Depth to bottom of usable water: 180

Surface Pipe by Alternate: ☒ 1 ☐ 2

Length of Surface Pipe ~~Planned to be set:~~ 338'

Length of Conductor Pipe required: none

Projected Total Depth: 5500'

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: 12/6/06 Signature of Operator or Agent: [Signature] Title: President

For KCC Use ONLY

API # 15 - 007-22156-00-01

Conductor pipe required None feet

Minimum surface pipe required 338 feet per Alt. 1

Approved by: Put 12-13-06

This authorization expires: 6-13-07

(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: _____

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

RECEIVED
DEC 07 2006
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 - 007-22156-00-01
 Operator: VAL Energy Inc.
 Lease: Meyer
 Well Number: 1-SWD
 Field: _____

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

Location of Well: County: Barber
 660 _____ feet from ☐ N / ☒ S Line of Section
 660 _____ feet from ☒ E / ☐ W Line of Section
 Sec. 13 Twp. 34S S. R. 11W ☐ East ☒ West

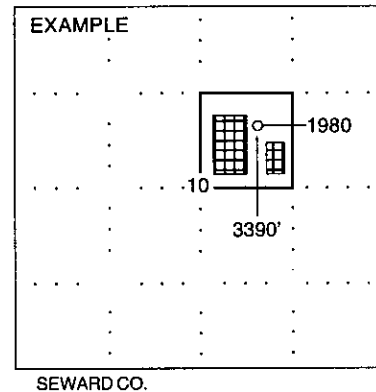
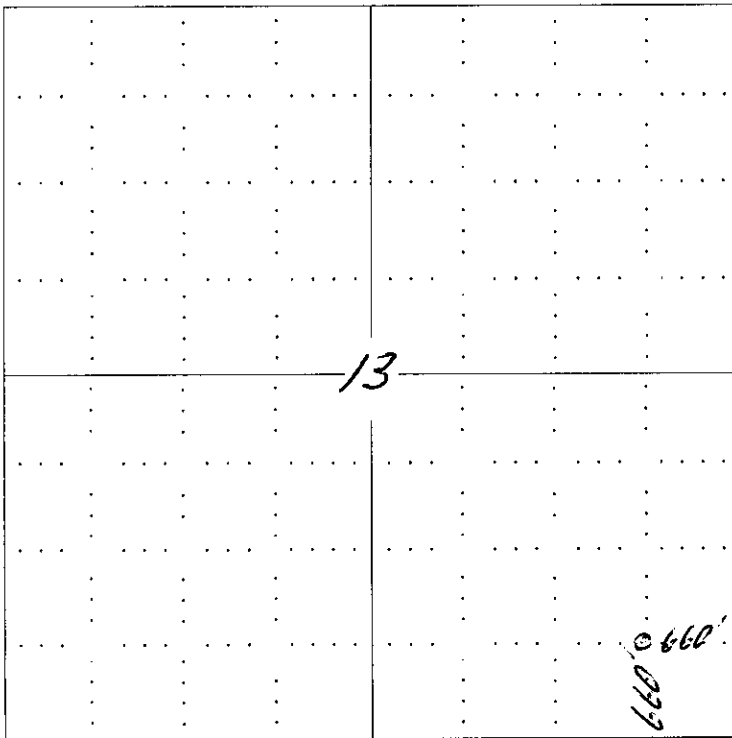
Is Section: ☐ Regular or ☐ Irregular

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 07 2006

KCC WICHITA

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

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: VAL Energy Inc.		License Number: 5822	
Operator Address: 200 W. Douglas #520 Wichita, Ks. 67202			
Contact Person: K. Todd Allam		Phone Number: (316) 263 - 6688	
Lease Name & Well No.: Meyer 1- SWD		Pit Location (QQQQ): C - SE - SE - Sec. 13 Twp. 34S R. 11W <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 660 Feet from <input checked="" type="checkbox"/> East / <input 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 (If WP Supply API No. or Year Drilled)	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: 1000 (bbls)		
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
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): 100 Length (feet) 100 Width (feet) 1 Set 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 N/A feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ 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 set steel Abandonment procedure: let dry and 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. 12/6/06 Date Signature of Applicant or Agent			

15-007-22156-00-01

KCC OFFICE USE ONLY				RFAC	
Date Received: 12/7/06	Permit Number: _____	Permit Date: 12/13/06	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	RECEIVED	

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

KCC WICHITA

ASAS
CONSERVATION COMMISSION
1000 Derby Building
Kansas 67202

WELL PLUGGING RECORD
K.A.R.-82-3-117

API NUMBER 15-007-22,156-02-00

LEASE NAME Reece Clark

WELL NUMBER 1

660 Ft. from S Section Line

660 Ft. from E Section Line

SEC. 13 TWP. 34S RGE. 11 ~~RECEIVED~~ (W)

COUNTY Barber

Date Well Completed 6-30-87

Plugging Commenced 6-30-87

Plugging Completed 6-30-87

TYPE OR PRINT
NOTICE: Fill out completely
and return to Cons. Div.
office within 30 days.

LEASE OPERATOR C. E. Kimmell

ADDRESS 1716 Milam Bldg., San Antonio, TX 78205

PHONE#(310) 223-4452 OPERATORS LICENSE NO. 9459

Character of Well D&A

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

Did you notify the KCC District Office prior to plugging this well? YES

Which KCC Office did you notify? District 1

Is ACO-1 filed? NO If not, is well log attached? NO

ACO-1 and well log will be filed by Operator.

Producing Formation N/A Depth to Top _____ Bottom _____ T.D. 5260'

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
				8 5/8"	338'	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 are used, state the character of same and depth placed, from _____ feet to _____ feet each set.

otted 50 sx. cement @ 900' thru drill pipe.

otted 50 sx. cement @ 370' thru drill pipe.

otted 10 sx. cement @ 40' thru drill pipe.

otted 15 sx. cement in rathole.

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

Name of Plugging Contractor White & Ellis Drilling, Inc. License No. 5420

Address 401 E. Douglas, Suite 500, Wichita, Ks. 67202

STATE OF Kansas COUNTY OF Sedgwick, ss.

Michael L. Considine (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)

Michael L. Considine

401 E. Douglas - Suite 500

(Address)

Wichita, KS 67202

STATE CONSERVATION COMMISSION

SUBSCRIBED AND SWORN TO before me this 2nd day of July, 19 87

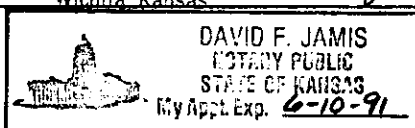
JUL 6 1987

David F. Jamis

Notary Public

My Commission Expires:

CONSERVATION DIVISION
Wichita, Kansas



Form CP-4
Revised 07-86

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

December 13, 2006

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

RE: Drilling Pit Application
Meyer Lease Well No. 1-SWD
SE/4 Sec. 13-34S-11W
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

KANSAS

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MICHAEL C. MOFFET, COMMISSIONER

NOTICE TO OPERATORS FILING INTENT TO DRILL FOR DISPOSAL OR ENHANCED RECOVERY INJECTION WELLS, (CLASS II INJECTION WELL)

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in **K.A.R. 82-3-400 et seq** of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.