

OWWO

For KCC Use: 2-507
Effective Date: 1
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 3 1 2007
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: Oil Gas OWWO Seismic; # of Holes Other
 Enh Rec Storage Disposal
Well Class: Infield Pool Ex Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable

If OWWO: old well information as follows: ✓
Operator: Renaissance Resources/Associated Pet. Consultants
Well Name: Spicer #1
Original Completion Date: 8-13-1980 Original Total Depth: 5111

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

Spot SE SE Sec. 12 Twp. 34S S. R. 11W East 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: Thom A Well #: 1-12 OWWO

Field Name: _____
Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Mississippian
Nearest Lease or unit boundary: 660'

Ground Surface Elevation: 1377 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:~~ 253

Length of Conductor Pipe required: none

Projected Total Depth: 4750

Formation at Total Depth: Mississippian

Water Source for Drilling Operations:
 Well Farm Pond Other Hauled

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: 1-30-2007 Signature of Operator or Agent: [Signature] Title: President

For KCC Use ONLY
API # 15 - 007-20969-00-01
Conductor pipe required None feet
Minimum surface pipe required 253 feet per Alt 1
Approved by: [Signature] 1-31-07
This authorization expires: 7-31-07
(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 **RECEIVED**
Signature of Operator or Agent: _____
Date: JAN 31 2007

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

CONSERVATION DIVISION
WICHITA, KS

12
34
11W

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 - 007-20969-00-01
Operator: VAL Energy Inc.
Lease: Thom A
Well Number: 1-12 OWWO
Field: _____
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: SE - SE -

Location of Well: County: Barber
660 feet from N / S Line of Section
660 feet from E / W Line of Section
Sec. 12 Twp. 34S S. R. 11W East West

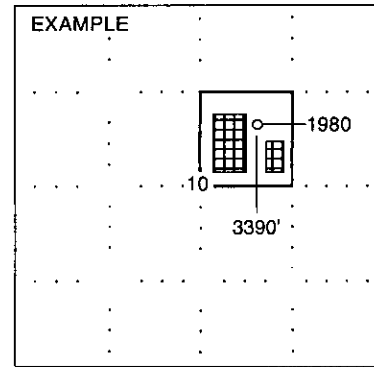
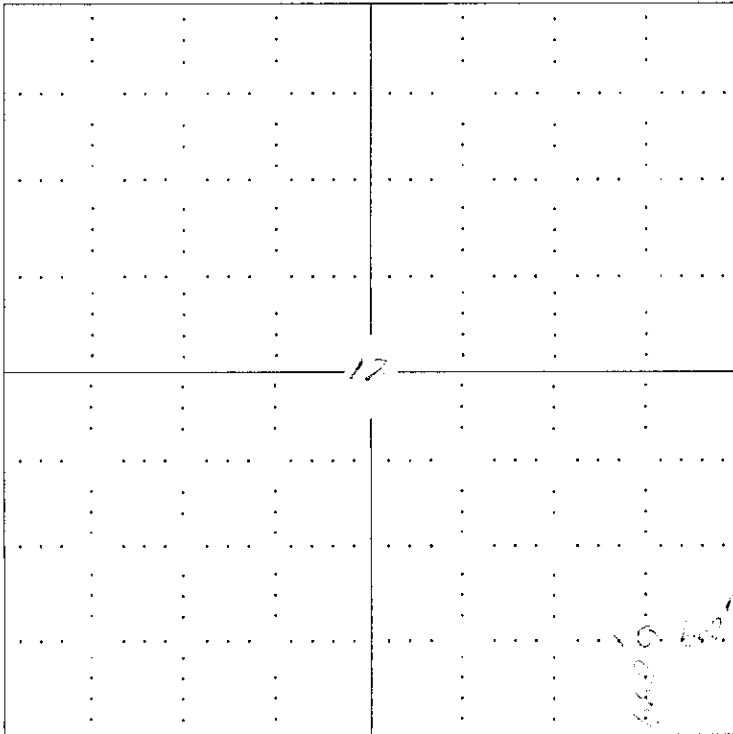
Is Section: Regular or Irregular

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 locaton.

In plotting the proposed location of the well, you must show:

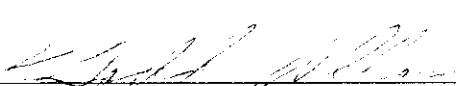
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached. (See CG-8 for gas wells).

RECEIVED
KANSAS CORPORATION COMMISSION
JAN 31 2007
CONSERVATION DIVISION
WICHITA, KS

**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.: Thom A 1-12 OWWO		Pit Location (QQQQ): SE . SE
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: 2000 (bbls)	Sec. 12 Twp. 34S R. 11 <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
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): 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-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.		
1-30-2007 Date		 Signature of Applicant or Agent

15-007-20969-00-01

KCC OFFICE USE ONLY		RECEIVED ^{RFAC} KANSAS CORPORATION COMMISSION
Date Received: 1/31/07 Permit Number: _____	Permit Date: 1/31/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	JAN 31 2007

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67203
CONSERVATION DIVISION
WICHITA, KS

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

January 30, 2007

Mr. K. Todd Allam
Val Energy, Inc.
200 W. Douglas #520
Wichita, KS 67202

RE: Drilling Pit Application
Thom A Lease Well No. 1-12
SE/4 Sec. 12-34S-11W
Barber County, Kansas

Dear Mr. Allam:

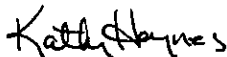
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling 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

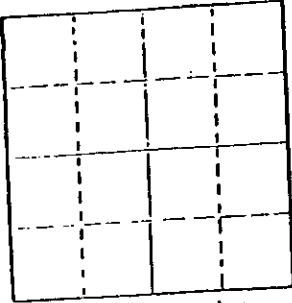
cc: File

15007-20969-0000

STATE OF KANSAS
STATE CORPORATION COMMISSION

WELL PLUGGING RECORD

Give All Information Completely
Make Required Affidavit
Mail or Deliver Report to
Conservation Division
State Corporation Comm.
245 North Water
Wichita, KS 67202



Locate well correctly on above
Section Plot

Barber County, Sec. 12 Twp. 34S Rge. 11W E/W
Location as "NE/CNW $\frac{1}{4}$ SW $\frac{1}{4}$ " or footage from lines _____
C SE SE
Lease Owner Renaissance Resources, Inc. & Associated Petroleum
Lease Name Spicer Well No. 1
Office Address Suite 600, One Main Place, Wichita, KS
Character of Well (Completed as Oil, Gas or Dry Hole) _____

dry hole
Date Well completed August 13, 1980
Application for plugging filed August 12, 1980
Application for plugging approved August 12, 1980
Plugging commenced August 12, 1980
Plugging completed August 13, 1980
Reason for abandonment of well or producing formation _____

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

Name of Conservation Agent who supervised plugging of this well Bill Owens
Producing formation _____
Depth to top _____ Bottom _____ Total Depth of Well 5,110'
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"	253'	

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 hold. If cement or other plugs were used, state the character of same and depth placed, from _____ feet to _____ feet for each plug set.

Mud to 240', 40 sacks cement
Mud to 40', plug, 1/4 sack hulls, 10 sacks cement
5 sacks in rathole, 3 sacks in mousehole

(If additional description is necessary, use BACK of this sheet)
Name of Plugging Contractor _____

STATE OF KANSAS COUNTY OF SEDGWICK
Donald E. Hunt (employee of owner) or Conservation Division
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) Donald E. Hunt
Suite 250, 200 W. Douglas, Wichita, KS 67202
(Address)



Subscribed and sworn to before me this 21st day of August, 19 80
Kathleen L. Greger
Notary Public.

My commission expires January 4, 1981

