For KCC Use: Effective Date:_ District # SGA? Yes No

Kansas Corporation Commission OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Form C-1 December 2002 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

Month May Month May Month May Month Mo	Supported Stand Date MARCH 5, 2007	Seet. □ Feet
Section Sect	Expected Spud Date	Spot East APX NE SE SE 5 - 32 - 21 7
Name: PACON EXPLANCES SUPE 1925 CITY/STABLET SUP 1925		
Name: PACON EXPLANCES SUPE 1925 CITY/STABLET SUP 1925	OPERATOR: License# 5316 D	TO THE OF SECTION
Columns (Columns) (Columns	Name: FALCON EXPLORATION INC.	
County	Address: 125 N. MARKET, SUITE 1252	is Section — Regular — Irregular?
County	City/State/Zip: WICHITA, RS 67202	
Second Contractor Contracto	Contact Person: RON SCHRAEDER/MIKE MITCHELE	County: CLARK
Is this a Proceed A Spaced Field? Ves No Name. VALENTERGY INC. Target Formation(e): MORROWMSS:MOLAARB Ves No Name. VALENTERGY INC. Target Formation(e): MORROWMSS:MOLAARB Names Lase of unto boundary. 330" Torond Surface Elevation. 1981. Teleful MSL. Ves No Name: Ves	Phone: 316-262-1378	Lease Name: HARDEN Well #: 2-5(SE)
Name Well Drilled For Well Class: Typo Equipment For Well Class: Typo Equipment For Well Class Typo Equipment Typo	5822 V	Field Name: MORRISON NE
Well Drilled For Well Class: Type Equipment: Or	CONTRACTOR: License#	Is this a Prorated / Spaced Field? Yes ✓ No
Ground Surface Elevation	Name; -/ Cartes in the cartes	
Ground Surface Elevation: 1991 feel will. Gas Storage Pool Ext. Air Rotary Air Rota	Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary: 330°
Water well within one-quarter mile:		
Seismic; # of Holes Other		
Selsmic :		
Depth to bottom of usable water: Surface Pipe by Alternate: 1		
Surface Pipe by Alternate:		Depth to bottom of usable water: 180'
Operator: Well Name: Original Total Depth: SONE Projected Total Depth: SONE Projected Total Depth: ARBUCKLE Water Source for Drilling Operations: West No Sone Sone	Other	
Well Name: Original Complesion Date: Original Total Depth: Directional, Deviated or Horizontal wellbore? Wes, true vertical depth: Bottom Hole Location: KCC DKT #: Well Farm Pond The Termin with DWR Wes No Will Cores be taken? Well Farm Pond Other Wes No Will Cores be taken? Well Farm Pond Other Wes No Will Cores be taken? Well Farm Pond Other Wes No Will Cores be taken? Well Farm Pond Other Wes No Will Cores be taken? Well Farm Pond Other Wes No Will Cores be taken? West Farm Pond Other West West West Farm Pond Other Will Cores be taken? West Farm Pond Other West West West Farm Pond Other West Farm Pond Other West West Farm Pond Other West Farm Pond Other West West	If OWWO; old well information as follows:	Length of Surface Pipe Planned to be set: 6/5'
Original Completion Date: Original Total Depth: Market Completion Date: Original Total Depth: Original Completion Date: Original Total Depth: Market Course for Drilling Operations: Water Source of Drilling Operations on Drilling Operation on Drilling Operation Opera	Operator:	Length of Conductor Pipe required: NONE
Original Completion Date:	Well Name:	
Well Farm Pond Other DWR Permit #: DWR Permit Permit DWR Permit	Original Completion Date:Original Total Depth:	Formation at Total Depth: ARBUCKLE
DWR Permit #:		Water Source for Drilling Operations:
Note: Apply for Permit with DWR Note: Apply for Permit with DWR Note: Apply for Permit with DWR Note: Note: Apply for Permit with DWR Note:		✓ Well Farm Pond Other
Will Cores be taken? If Yes, proposed zone: AFFIDAVIT RECEIVED The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. KANGARAS CORPORATION COMMISSION 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 SUMBERVATION NUMBER 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 alf-cases, NOTIFY district office prior to any cementing. If hereby certify that the statements made herein are true and to the best of my knowledge and belief. Date: 2726/07 Signature of Operator or Agent: For KCC Use ONLY API # 15 - D25 - 21406 - COOL Approved by: Will 2 - 23 - 27 - 27 - 27 - 27 - 27 - 27 -	If Yes, true vertical depth:	DWR Permit #:
If Yes, proposed zone: AFFIDAVIT RECEIVED The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. CONTRACTOR COMMISSION 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 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 alfrages, NOTIFY district office prior to any cementing. It hereby certify that the statements made herein are true and to the pest of my knowledge and belief. Por KCC Use ONLY API # 15 · Q25 - 214/D6 · COOD Approved by: FEB 2 6 2007 FEB 2 6 200	Bottom Hole Location:	(Note: Apply for Permit with DWR 🗹)
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. CONTRACTION COMMISSION 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 place 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. It hereby certify that the statements made herein are true and to the best of my knowledge and belief. Date: 226/07 Signature of Operator or Agent: 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 sall water. 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 sall water. File Completion Form ACO-1 within approval devipriation date) please check the box below and return to the address below	KCC DKT #:	Will Cores be taken?
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hereby certify that the statements made herein are true and to the best of my knowledge and belief. Date: 2/26/07 Signature of Operator or Agent: Will Signature of Operator or Agent: Signature of Operator or Agent: Will Signature of Operator or Agent: Signatur		
For KCC Use ONLY API # 15 · O25 · 214 Dto · OCCO Conductor pipe required Minimum surface pipe required Approved by: This authorization expires: (This authorization void if drilling not started within 6 months of approval date.) Spud date: Agent: Signature of Operator or Agent: Will Not Drille: ENGINEER 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: Well Not Drilled - Permit Expired Signature of Operator or Agent:		
For KCC Use ONLY API # 15	I hereby certify that the statements made herein are true and to the best of	if my knowledge and belief.
For KCC Use ONLY API # 15	2/26/07	ANAMA / MANAMA ENGINEER
For KCC Use ONLY API # 15 · 025 - 21406 - 0000 Conductor pipe required	Date: 22007 Signature of Operator or Agent: 17 - C. Y.	Title: Enditteet
API # 15 ·		Remember to:
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:		- File Drill Pit Application (form CDP-1) with Intent to Drill;
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Minimum surface pipe required. 200 feet per Alt. 1) Approved by: 44 2 2 3 0 7 This authorization expires: 8 2 8 0 7 (This authorization void if drilling not started within 6 months of approval date.) Spud date: Agent: Signature of Operator or Agent: World appropriate district onice of onice of onice of industry prior to Workov or Teventy, 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: Voltation written approval before disposing or injecting salt water. Submit plugging report (CP-4) after plugging is completed; Obtain written approval before disposing or injecting salt water. Well Not Drilled - Permit Expired Signature of Operator or Agent:	L Coo	- File acreage attribution plat according to field proration orders:
Approved by: Left 2 23 67 This authorization expires: 8 28 67 (This authorization void if drilling not started within 6 months of approval date.) Spud date: Agent: 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:		
This authorization expires: 82807 (This authorization void if drilling not started within 6 months of approval date.) Spud date: Agent: 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:		- Notify appropriate district office 48 hours prior to workover or re-entry;
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	Minimum surface pipe required. 200 feet per Alt. 1) Approved by: 2207 This authorization expires: 82807	 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
Date:	Minimum surface pipe required. 200 feet per Alt. 1) Approved by: 2207 This authorization expires: 82807	 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
	Minimum surface pipe required. 200 feet per Alt. 1) Approved by: 1442-28-07 This authorization expires: 828-07 (This authorization void if drilling not started within 6 months of approval date.)	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:

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 - D25 - 21406-0000	Location of Well: County: CLARK
Operator: FALCON EXPLORATION INC.	
Lease: HARDEN	930 feet from N / S Line of Section 330 feet from E / E / W Line of Section
Well Number: 2-5(SE) Field: MORRISON NE	Sec5 Twp32
Number of Acres attributable to well: QTR / QTR / QTR of acreage:APX NE SE SE	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.)

		RECEIVED KANSAS CORPORATION COMMISSION FEB 2 6 2007 CONSERVATION DIVISION WICHITA, KS
: :	5 - : : :	EXAMPLE : : : : : : : : : : : : : : : : : : :
		1980
	33(
	9301	SEWARD CO.

NOTE: In all cases locate the spot of the proposed drilling locaton.

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

- 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: (C0-7 for oil wells; CG-8 for gas wells).

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: FALCON EXPLORATION INC.		License Number: 5316		
Operator Address: 125 N. MARKE	T, SUITE 125	52, WICHIT	A, KS 67202	
Contact Person: RON SCHRAEDER		Phone Number: (316) 262 - 1378		
Lease Name & Well No.: HARDEN #2-5(SE)		Pit Location (QQQQ):		
Type of Pit:	Pit is:		APX _ NE _ SE _ SE	
Emergency Pit Burn Pit	✓ Proposed	Existing	Sec. 5 Twp. 32S R. 21 ☐ East 🗸] West
Settling Pit	If Existing, date co	onstructed:	930 Feet from North / South Lir	ne of Section
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:		330 Feet from 🗸 East / 🗌 West Lin	ĺ
		(bbls)	CLARK	
Is the pit located in a Sensitive Ground Water	Area? ✓ Yes	No	Chloride concentration:	i
Is the bottom below ground level? ✓ Yes No	Artificial Liner?	No	How is the pit lined if a plastic liner is not used? NATIVE CLAY AND MUD	
Pit dimensions (all but working pits):	30 Length (fe	eet) 100	Width (feet)N/A: Ste	el Pits
	rom ground level to de			
If the pit is lined give a brief description of the material, thickness and installation procedure		Describe proce liner integrity, i	edures for periodic maintenance and determine cancluding any special monitoring.	
			FEB 2	6 2007 ON DIVISION
Distance to nearest water well within one-mile	e of pit	Depth to shallo	FEB 2 CONSERVATI WICHI west fresh water 12' feet.	6 2007 ON DIVISION
Distance to nearest water well within one-mile APX 1380' feet Depth of water well	·	Source of infor	FEB 2 CONSERVATI WICHI west fresh water 12' feet.	6 2007 ON DIVISION TA, KS
	113 feet	Source of infor	FEB 2 CONSERVATI WICHI west fresh water 12' feet. mation:	6 2007 ON DIVISION TA, KS
APX 1380' feet Depth of water well _	113 feet	Source of informeasu	FEB 2 CONSERVATION WICHI West fresh water 12' feet. mation: red well owner electric log	6 2007 ON DIVISION TA, KS
APX 1380'feet	113 feet	Source of informal measurements Drilling, Work Type of material Number of work	west fresh water 12' feet. mation: med well owner electric log over and Haul-Off Pits ONLY: al utilized in drilling/workover: CHEMICAL MUD king pits to be utilized: 3	6 2007 ON DIVISION TA, KS KDWR
APX 1380' feet Depth of water well	113feet	Source of information measurement Drilling, Work Type of materia Number of work Abandonment	west fresh water 12' feet. mation: med well owner electric log/ over and Haul-Off Pits ONLY: al utilized in drilling/workover: CHEMICAL MUD king pits to be utilized: 3 procedure: HAUL OFF FREE FLUIDS AND ALLOY	6 2007 ON DIVISION TA, KS KDWR V
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APX 1380' feet Depth of water well	113 feet I spilled fluids to ements are true and comments.	Source of informeasu Drilling, Work Type of materia Number of wor Abandonment TO DRY COM Drill pits must	west fresh water 12' feet. mation: med well owner electric log over and Haul-Off Pits ONLY: al utilized in drilling/workover: CHEMICAL MUD king pits to be utilized: 3 procedure: HAUL OFF FREE FLUIDS AND ALLOV IPLETELY. De closed within 365 days of spud date. It of my knowledge and belief.	6 2007 ON DIVISION TA, KS KDWR V



CORPORATION COMMISSION

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

February 27, 2007

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

Re: Drilling Pit Application

Harden Lease Well No. 2-5(SE)

SE/4 Sec. 05-32S-21W Clark County, Kansas

Dear Mr. Schraeder:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid that will be disposed. If a haul-off pit is necessary please file, form CDP-1, Application for Surface Pit. This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (316) 630-4000. Please file form CDP-5, 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.

Sincerely,

Kathy Haynes

Environmental Protection and Remediation Department

Cc: File