

For KCC Use: 1-28-07
Effective Date: 1-28-07
District # 1
SGA? Yes No

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

CORRECTED
CORRECTED

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

Expected Spud Date May 1, 2007
month day year

OPERATOR: License# 4058
Name: American Warrior, Inc.
Address: Box 399
City/State/Zip: Garden City, KS 67846
Contact Person: Cecil O'Brate
Phone: 620-275-5067

* CONTRACTOR: License# 5822
Name: VAL Energy, Inc.

Well Drilled For: * Well Class: Type Equipment:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 OWWO Disposal Wildcat Cable
 Seismic; # of Holes Other
 Other

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: Contractor Jovde Murfin Drilling Co.
IS: 5822 Val Energy, Inc.
* WAS Well Class: Infield
IS: Well Class: Wildcat

* WAS: 869 FNL 995 FNL
IS: 1000 FNL 1000 FNL

AFFIDAVIT

Will Cores be taken? Yes No
If Yes, proposed zone: _____
* WAS: Target Arbuckle NUB: 869
IS: Target Mississippi NUB: 1000

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: 4/25/07 Signature of Operator or Agent: [Signature]

Title: Agent

Spot SE SE NW NW Sec. 29 Twp. 30 S. R. 23
* 1000 790' feet from N / S Line of Section
* 1000 910' 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: Esplund Farms Well #: 5-29
Field Name: _____

Is this a Prorated / Spaced Field? Yes No

* Target Formation(s): Mississippi

* Nearest Lease or unit boundary: 1000

* Ground Surface Elevation: 2505 2466 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: 600

Length of Conductor Pipe required: _____

* Projected Total Depth: 5000 ft

* Formation at Total Depth: Mississippi

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: _____

* WAS: Target Arbuckle NUB: 869

IS: Target Mississippi NUB: 1000

* WAS: Elev. 8447 Surf pipe: 700

IS: Elev. 2505 Surf pipe 600

* WAS: PTO 5400 Arbuckle

IS: PTO 5000 Mississippi

CONSERVATION DIVISION WICHITA, KS

RECEIVED KANSAS CORPORATION COMMISSION

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For KCC Use ONLY
API # 15 - 025-21400-0000
Conductor pipe required None feet
Minimum surface pipe required 200 feet per Alt. 1
Approved by: Rut 1-23-07 / Rut 4-26-07 / Rut 5-2-07
This authorization expires: 7-23-07
(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

29
30
23W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Plat of acreage attributable to a well in a prorated or spaced field

CORRECTED

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 - _____
Operator: American Warrior, Inc _____
Lease: Esplund Farms _____
Well Number: 5-29 _____
Field: _____
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: NE NW - SE NW - NW

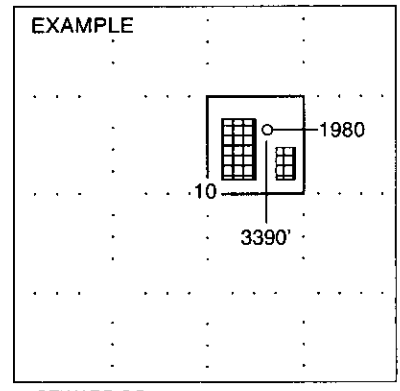
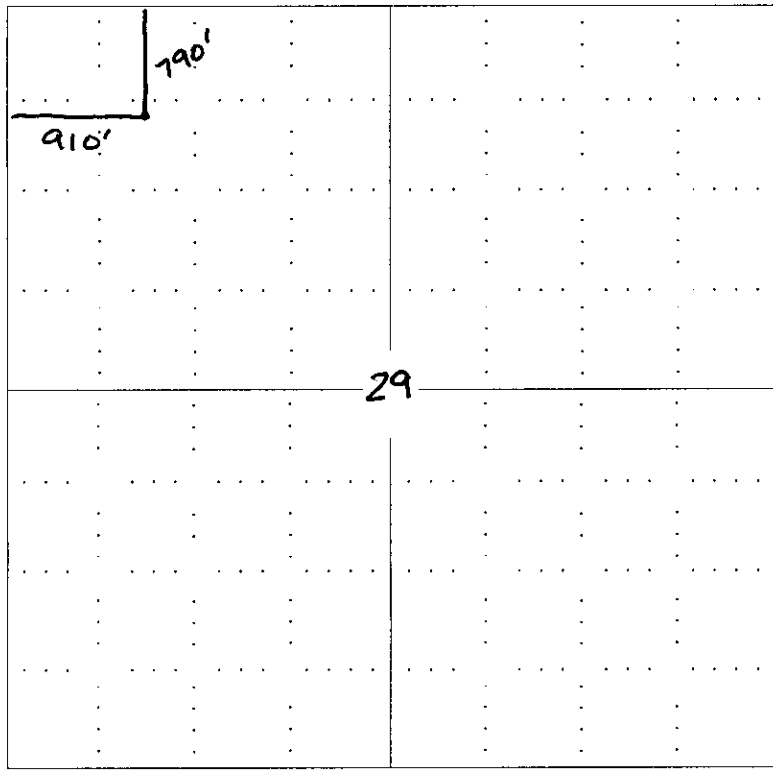
Location of Well: County: CLARK
790 feet from N / S Line of Section
910 feet from E / W Line of Section
Sec. 29 Twp. 30 S. R. 23 East West

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
KANSAS CORPORATION COMMISSION

MAY 02 2007


CONSERVATION DIVISION
WICHITA, KS

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

Form GDP-1
April 2004
Form must be Typed

Submit in Duplicate

CORRECTED

Operator Name: American Warrior, Inc		License Number: 4058	
Operator Address: Box 399 Garden City, KS 67846			
Contact Person: Cecil O'Brate		Phone Number: (620) 275 - 9231	
Lease Name & Well No.: Esplund Farms 5-29		Pit Location (QQQQ): NW SE NW NW	
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: 3000 (bbls)	Sec. 29 Twp. 30S R. 23 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 790 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 910 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Clark County	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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: 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 1899 feet Depth of water well 40 feet		Depth to shallowest fresh water 10 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 Abandonment procedure: Remove free fluids, 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.			
5/2/07 Date		 Signature of Applicant or Agent	
		RECEIVED KANSAS CORPORATION COMMISSION MAY 02 2007	

KCC OFFICE USE ONLY

CONSERVATION DIVISION
WICHITA, KS

Date Received: **5/2/07** Permit Number: _____ Permit Date: **5/2/07** Lease Inspection: Yes No

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



Kathleen Sebelius, Governor
Brian J. Moline, Chair
Robert E. Krehbiel, Commissioner
Michael C. Moffet, Commissioner

May 2, 2007

Mr. Cecil O'Brate
American Warrior, Inc.
Box 399
Garden City, KS 67846

Re: Drilling Pit Application
Esplund Farms Lease Well No. 5-29
NW/4 Sec. 29-30S-23W
Clark County, Kansas

Dear Mr. O'Brate:

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 (620) 225-8888. 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



*Kathleen Sebelius, Governor
Brian J. Moline, Chair
Robert E. Krehbiel, Commissioner
Michael C. Moffet, Commissioner*

**HAUL-OFF PIT APPLICATION
FILING REQUIREMENTS**

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:
 Yes No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: Yes No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.