

For KCC Use: 5-14-07
Effective Date: _____
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date May 16, 2007
month day year

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

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

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

If OWWO: old well information as follows:
Operator: Bowers Drilling
Well Name: Boggs Estate
Original Completion Date: 2/21/1963 Original Total Depth: 4927

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

Spot _____ NE _____ SW _____ Sec. 8 Twp. 33 S. R. 12 East West
1980 feet from N / S Line of Section
1980 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: Boggs Well #: V1-8 OWWO
Field Name: Medicine Lodge - Boggs
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippi
Nearest Lease or unit boundary: 660
Ground Surface Elevation: 1577 GL 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: 250
Length of Conductor Pipe required: N/A
Projected Total Depth: 4700
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: _____

AFFIDAVIT

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KANSAS CORPORATION COMMISSION
MAY 07 2007

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: 5/2/07 Signature of Operator or Agent: [Signature] Title: Agent

For KCC Use ONLY
API # 15 - 007-01728-00-01
Conductor pipe required None feet
Minimum surface pipe required 250 feet per Alt. 1
Approved by: [Signature] 5-9-07
This authorization expires: 11-9-07
(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: _____

8
23
12W

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 - 007-01728-00-01
Operator: VAL Energy, Inc
Lease: Boggs
Well Number: V1-8 OWWO
Field: _____
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: _____ - NE - SW

Location of Well: County: Barber
1980 _____ feet from N / S Line of Section
1980 _____ feet from E / W Line of Section
Sec. 8 Twp. 33 S. R. 12 East West

Is Section: Regular or Irregular

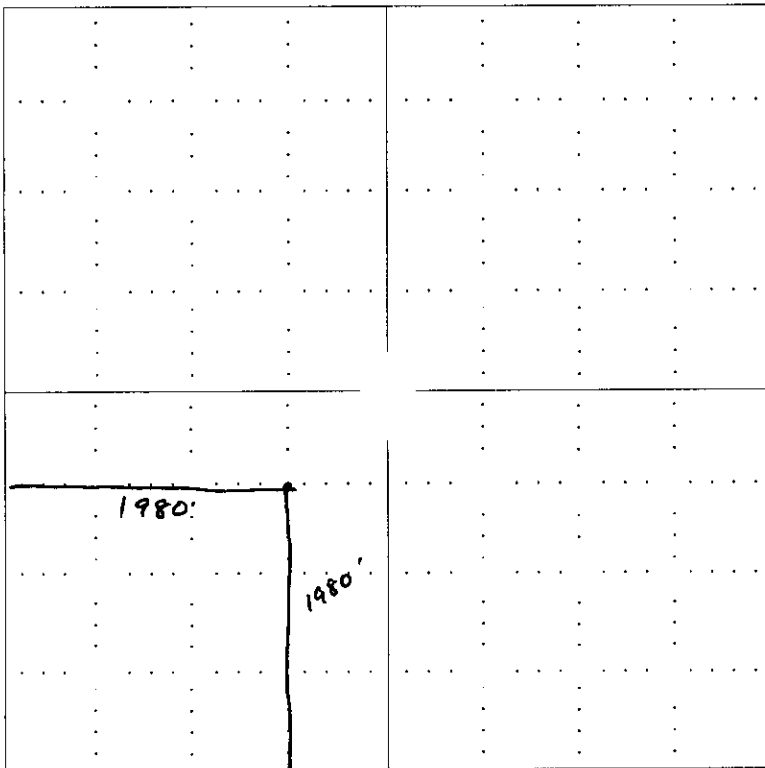
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

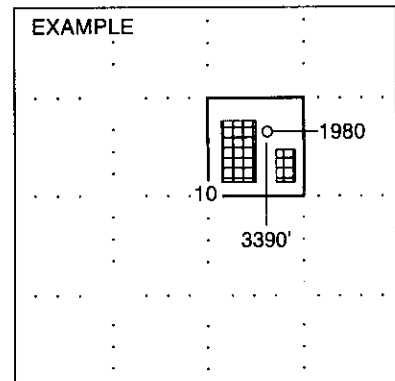
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



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CONSERVATION DIVISION
WICHITA, KS



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

**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 Suite 520 Wichita, KS 67202		
Contact Person: Todd Allam		Phone Number: (316) 263 - 6688
Lease Name & Well No.: Boggs V1-8 OWWO		Pit Location (QQQQ): NE - SW - - - - -
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. 8 Twp. 33 R. 12 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1980 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1980 Feet from <input type="checkbox"/> East / <input checked="" 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): 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. <div align="center">RECEIVED KANSAS CORPORATION COMMISSION MAY 07 2007 CONSERVATION DIVISION WICHITA, KS</div>
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	15-007 - 01728-00-01
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: 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.		
_____ Date	 Signature of Applicant or Agent	

KCC OFFICE USE ONLY

RFA

Date Received: **5/7/07** Permit Number: _____ Permit Date: **5/9/07** Lease Inspection: Yes No

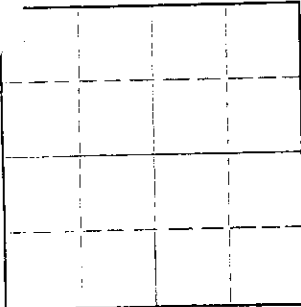
Mail to: **KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202**

WELL PLUGGING RECORD

15-007-01728-00-00

tion Completely
Affidavit
er Report to:
ation Division
poration Commission
o. Broadway
ta, Kansas

Barber County, Sec. 8 Twp. 33S Rge. 12 (XX) (W)
Location as "NE/CNWSW" or footage from lines C NE SW
Lease Owner Bowers Drilling Company, Inc.
Lease Name Boggs Estate Well No. 1
Office Address 416 Union Center, Wichita, Kansas
Character of Well (completed as Oil, Gas or Dry Hole) Dry Hole
Date well completed 2-19-63 19
Application for plugging filed 2-19-63 19
Application for plugging approved 2-19-63 19
Plugging commenced 2-19-63 19
Plugging completed 2-19-63 19
Reason for abandonment of well or producing formation Dry Hole
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, verbally



Name of Conservation Agent who supervised plugging of this well _____
Producing formation _____ Depth to top _____ Bottom _____ Total Depth of Well _____ Feet
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"	250	

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 for each plug set.

Filled with heavy mud to 180'
Set first plug at 180' w/1/4 sacks hulls, 20 sax cemer
Filled with heavy mud to 40'
Set 2nd plug at 40' with 1/4 sacks hulls and 10
sacks cement in rathole

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

Name of Plugging Contractor Bowers Drilling Company
Address 416 Union Center, Wichita, Kansas

STATE OF KANSAS COUNTY OF Sedgwick ss.

(employee of owner) or (owner or operator) 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) David E. Bowers
416 Union Center, Wichita, Kansas
(Address)

SUBSCRIBED AND SWORN to before me this 25th day of February, 1963

Sanna J. Miller
Notary Public.

My commission expires May 1, 1966



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

May 9, 2007

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

RE: Drilling Pit Application
Boggs Lease Well No. V1-8 OWWO
SW/4 Sec. 08-33S-12W
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,

A handwritten signature in black ink that reads "Kathy Haynes".

Kathy Haynes
Environmental Protection and Remediation Department

cc: File