

For KCC Use: S-28-a
Effective Date: _____
District #: _____
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

MAY 23 2007

Form C-1
December 2002

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well in WICHITA, KS

CONSERVATION DIVISION
blanks must be Filled

Expected Spud Date May 29th 2007
month day year

Spot
app NE SE NE Sec. 25 Twp. 18 S. R. 32 East West
1875 feet from N / S Line of Section
465 feet from E / W Line of Section
Is SECTION Regular Irregular?

OPERATOR: License# 8767
Name: The Trees Oil Company
Address: 3552 E. Douglas
City/State/Zip: Wichita, KS 67208
Contact Person: Susan Kendall
Phone: 316-263-2060

(Note: Locate well on the Section Plat on reverse side)
County: Scott
Lease Name: McKean-Reuter Well #: 25-1
Field Name: Keystone

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

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian

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

Nearest Lease or unit boundary: 465 feet
Ground Surface Elevation: appr. 2975 feet MSL

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

Directional, Deviated or Horizontal wellbore? Yes No

Depth to bottom of fresh water: 180'
Depth to bottom of usable water: 1300'

If Yes, true vertical depth: _____

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 200'

Bottom Hole Location: _____

Length of Conductor Pipe required: None
Projected Total Depth: 4800'

KCC DKT #: _____

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: 22 May 2007 Signature of Operator or Agent: Thomas C. Premold Title: Agent

For KCC Use ONLY
API # 15 - 171-20663-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. X(2)
Approved by: WHL 5-23-07
This authorization expires: 11-23-07
(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

25 18 32

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 - 171-20663-0000
Operator: The Trees Oil Company
Lease: McKean-Reuter
Well Number: 25-1
Field: Keystone

Location of Well: County: Scott
1875 feet from N / S Line of Section
465 feet from E / W Line of Section
Sec. 25 Twp. 18 S. R. 32 East West

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

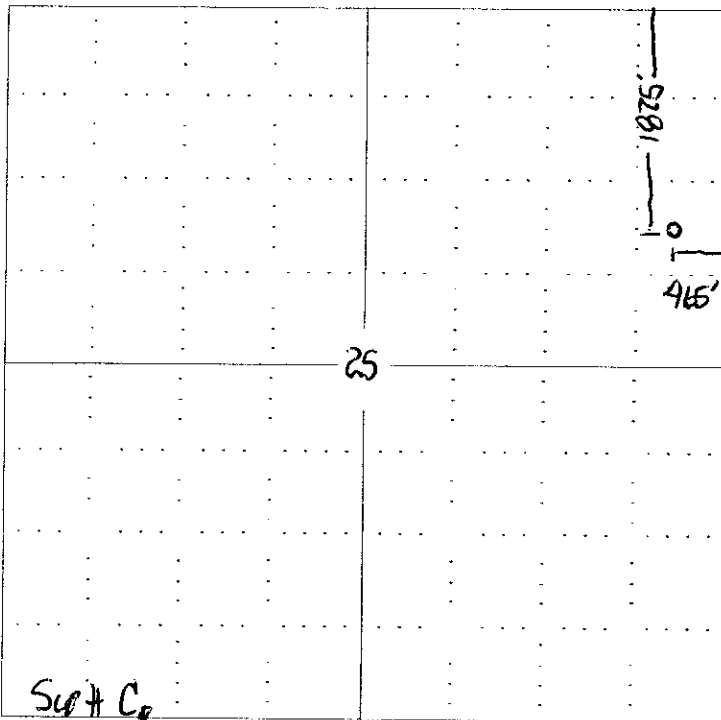
Is Section: Regular or Irregular

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.)

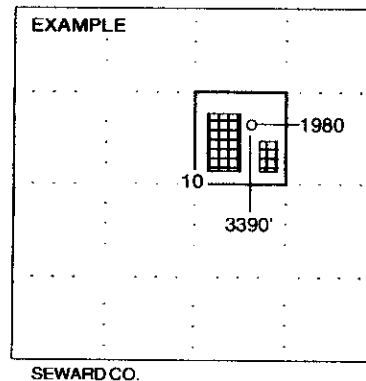
(Show footage to the nearest lease or unit boundary line.)



RECEIVED
KANSAS CORPORATION COMMISSION

MAY 23 2007

CONSERVATION DIVISION
WICHITA, KS



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).

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

MAY 23 2007

Form CDP-1
April 2004
Form must be Typed

CONSERVATION DIVISION
WICHITA, KS

Submit in Duplicates

Operator Name: The Trees Oil Company		License Number: 8767
Operator Address: 3552 E. Douglas, Wichita, KS 67208		
Contact Person: Susan Kendall		Phone Number: (316) 263 2060
Lease Name & Well No.: McKean-Reuter 25-1		Pit Location (QQQQ): app NE SE NE Sec. 25 Twp. 18 R. 32 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1875 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 465 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Scott County
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: 5000 (bbls)	
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? Native clay and Bentonite
Pit dimensions (all but working pits): <u>100'</u> Length (feet) <u>100'</u> Width (feet) <u>N/A</u> : Steel Pits Depth from ground level to deepest point: <u>3'</u> (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 <u>4126</u> feet Depth of water well <u>95</u> feet	Depth to shallowest fresh water <u>175 95</u> feet. Source of information: _____ measured _____ well owner <u>(1)</u> electric log <input checked="" type="checkbox"/> 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: <u>Bentonite Mud</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>Evaporation, cut holes and fill when dry.</u> 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.		
<u>22 May 2007</u> Date	<u>Thomas C. Permaid</u> Signature of Applicant or Agent	

15-171-20663-0000

KCC OFFICE USE ONLY			
Date Received: <u>5/23/07</u>	Permit Number: _____	Permit Date: <u>5/23/07</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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