

For KCC Use: 6-30-07
Effective Date: _____
District # 4
SGA? Yes No

KANSAS CORPORATION COMMISSION 1009366
OIL & GAS CONSERVATION DIVISION

Form C-1
November 2005
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: 06/28/2007
month day year

OPERATOR: License# 5316
Name: Falcon Exploration, Inc.
Address 1: 125 N. Market, Ste. 1252
Address 2: _____
City: Wichita State: KS Zip: 67202 + _____
Contact Person: RON SCHRAEDER/MIKE MITCHELL
Phone: 316-262-1378
CONTRACTOR: License# 5822
Name: Val Energy, Inc.

Spot Description: 50'S AND 45' W
NW - SE - SE - NW Sec. 26 Twp. 13 S. R. 30 E W
(a/a/a/a) 2,200 feet from N / S Line of Section
2,100 feet from E / W Line of Section
Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Gove
Lease Name: L&M Well #: 4
Field Name: GOVE WEST
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): LANSING, PAWNEE, MISSISSIPPIAN
Nearest Lease or unit boundary line (in footage): 440
Ground Surface Elevation: 2825 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: 100
Depth to bottom of usable water: 1300
Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 340
Length of Conductor Pipe (if any): 0
Projected Total Depth: 4600
Formation at Total Depth: MISSISSIPPIAN
Water Source for Drilling Operations:
 Well Farm Pond Other: TRUCKED
DWR Permit #: _____
(Note: Apply for Permit with DWR)
Will Cores be taken? Yes No
If Yes, proposed zone: _____

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

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: 6/25/07 Signature of Operator or Agent: Ronald Schraeder Title: Engineer

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KANSAS CORPORATION COMMISSION

JUN 25 2007

CONSERVATION DIVISION
WICHITA, KS

For KCC Use ONLY
API # 15 - D63-21669-0000
Conductor pipe required 0 feet
Minimum surface pipe required 200 feet per ALT.
Approved by: 6-25-07
This authorization expires: 12-25-07
(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 (within 60 days);
- 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 Date: _____
Signature of Operator or Agent: _____

26
13
30
 E
 W



1009366

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 - 003-21669-000
Operator: Falcon Exploration, Inc.
Lease: L&M
Well Number: 4
Field: GOVE WEST

Location of Well: County: Gove
2,200 feet from N / S Line of Section
2,100 feet from E / W Line of Section
Sec. 26 Twp. 13 S. R. 30 E W

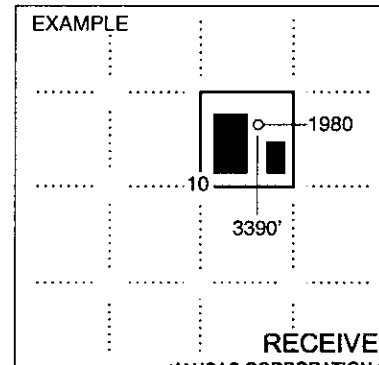
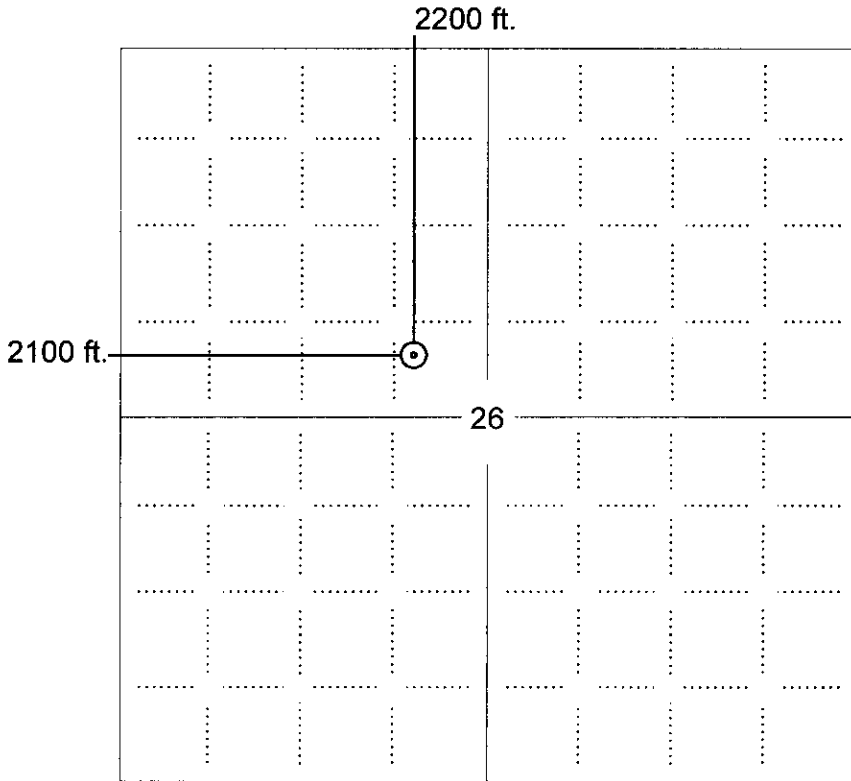
Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: NW - SE - SE - NW

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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JUN 25 2007

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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 1009366
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. Market, Ste. 1252		Wichita KS 67202	
Contact Person: RON SCHRAEDER/MIKE MITCHELL		Phone Number: 316-262-1378	
Lease Name & Well No.: L&M 4		Pit Location (QQQQ): NW SE SE NW Sec. 26 Twp. 13 R. 30 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2,200 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2,100 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Gove 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: 3,800 (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 MUD	
Pit dimensions (all but working pits): 80 Length (feet) 100 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 4 (feet) _____ No Pit			
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 NA 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: CHEMICAL MUD Number of working pits to be utilized: 3 Abandonment procedure: LET DRY COMPLETELY. THEN BACKFILL WHEN CONDITIONS ALLOW. 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.		RECEIVED KANSAS CORPORATION COMMISSION	
Date: 6/25/07		Signature of Applicant or Agent 	
		JUN 25 2007 CONSERVATION DIVISION WICHITA, KS	
KCC OFFICE USE ONLY			
Steel Pit RFAC RFAS			
Date Received: 6/25/07 Permit Number: _____ Permit Date: 6/25/07 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

15-063-21 (W) 0000

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