

For KCC Use: 10-807
Effective Date: _____
District # _____
SGA? Yes No

KANSAS CORPORATION COMMISSION 1012723
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: 10/05/2007
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: _____
SW - NW - SE - NE Sec. 11 Twp. 31 S. R. 22 E W
(10/0000) 1,680 feet from N / S Line of Section
1,040 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: FULTON Well #: 2-11(NE)
Field Name: Wildcat

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

Nearest Lease or unit boundary line (in footage): 960
Ground Surface Elevation: 2157 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: 150
Depth to bottom of usable water: 180

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 665

Length of Conductor Pipe (if any): 75
Projected Total Depth: 5400

Formation at Total Depth: MISSISSIPPIAN
Water Source for Drilling Operations:

Well Farm Pond Other: _____
DWR Permit #: 20070218

(Note: Apply for Permit with DWR)
Will Cores be taken? Yes No
If Yes, proposed zone: _____

Well Drilled For: Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 Disposal Wildcat Cable
 Seismic; # of Holes _____
 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: 10/2/07 Signature of Operator or Agent: _____ Title: President

For KCC Use ONLY
API # 15 - 025-21428-0000
Conductor pipe required 0 feet
Minimum surface pipe required 200 feet per ALT I II
Approved by: Kurt 10-3-07
This authorization expires: 4-3-08
(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: _____

11
31
22



1012723

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 - 025-21428-0000
Operator: Falcon Exploration, Inc.
Lease: FULTON
Well Number: 2-11(NE)
Field: Wildcat

Location of Well: County: Clark
1,680 feet from N / S Line of Section
1,040 feet from E / W Line of Section
Sec. 11 Twp. 31 S. R. 22 E W

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

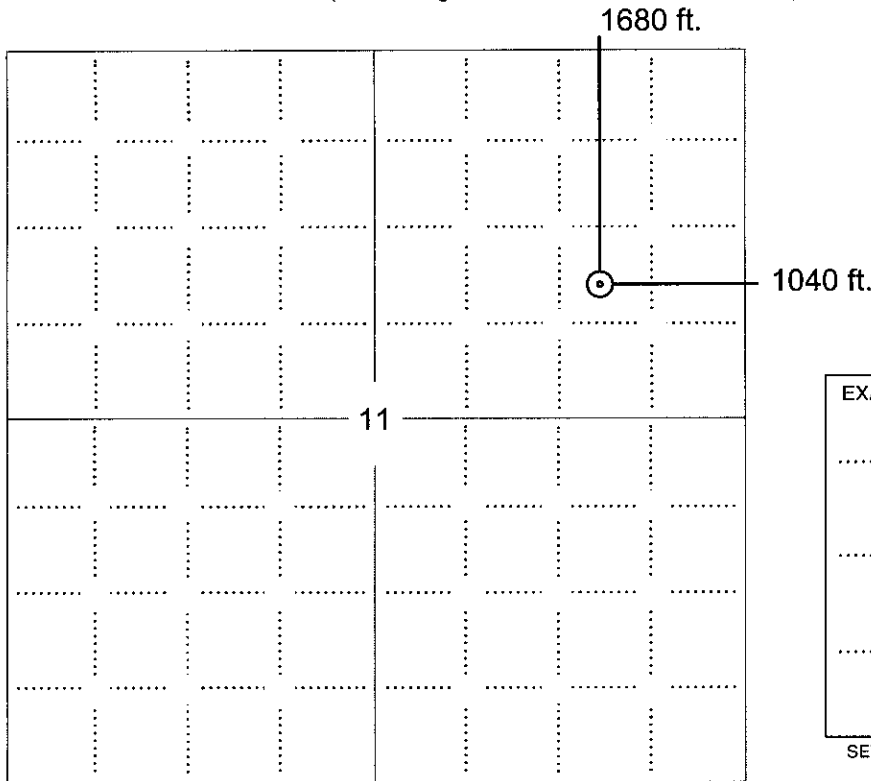
Is Section: Regular or Irregular

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

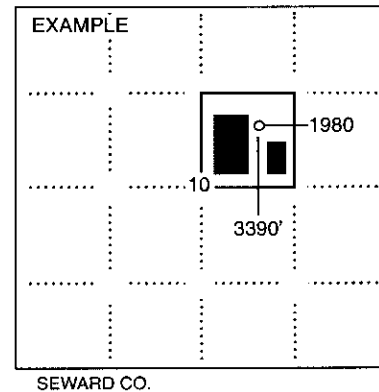
Section corner used: NE NW SE SW

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.)*



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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 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 1012723
 OIL & GAS CONSERVATION DIVISION

Form GDP-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.: FULTON 2-11(NE)		Pit Location (QQQQ): SW . NW . SE . NE	
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: 900 _____ (bbbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Sec. 11 Twp. 31 R. 22 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1,680 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1,040 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Clark _____ County	
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>	
Artificial Liner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits): 30 Length (feet) 30 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 3 (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure. 6 MIL PLASTIC LINER HELD IN PLACE BY SOIL FROM PIT		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. VISUAL INSPECTION	
Distance to nearest water well within one-mile of pit 1270 feet Depth of water well 80 feet		Depth to shallowest fresh water 8 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> 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: CHEMICAL MUD Number of working pits to be utilized: 1 Abandonment procedure: ALLOW TO DRY. THEN BACKFILL 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.			
10/2/07 Date		 Signature of Applicant or Agent	
KCC OFFICE USE ONLY Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>			
Date Received: 10/3/07 Permit Number: _____ Permit Date: 10/3/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

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

15-025-21428-00320

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*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

October 02, 2007

RON SCHRAEDER/MIKE MITCHELL
Falcon Exploration, Inc.
125 N. Market, Ste. 1252
Wichita, KS67202

Re: Drilling Pit Application
FULTON Lease Well No. 2-11(NE)
NE/4 Sec.11-31S-22W
Clark County, Kansas

Dear RON SCHRAEDER/MIKE MITCHELL:

District staff has inspected the above referenced location and has determined that the pit shall be emptied daily.

The fluids should be taken to an approved haul-off location. 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: kcc.ks.gov/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 District Office at (620) 225-8888.

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