

NOV 27 2007

Form C-1 October 2007

For KCC Use: Effective Date: 12-5-07 District # \_\_\_\_\_ SGA?  Yes  No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

CONSERVATION DIVISION WICHITA, KS Form must be Typed Form must be Signed All blanks must be Filled

Expected Spud Date: 12 month 10 day 2007 year

OPERATOR: License# 5822 Name: VAL Energy Inc. Address 1: 200 West Douglas #520 Address 2: \_\_\_\_\_ City: Wichita State: Ks Zip: 67202 Contact Person: K Todd Allam Phone: 316-263-6688 CONTRACTOR: License# 5822 Name: \_\_\_\_\_

Well Drilled For:  Oil  Gas  Enh Rec  Storage  Disposal  Seismic  Other: \_\_\_\_\_ Well Class:  Infield  Pool Ext.  Wildcat  Other \_\_\_\_\_ Type Equipment:  Mud Rotary  Air Rotary  Cable  If OWWO: old well information as follows: Operator: Vincent Oil Corporation Well Name: Yohn 1-36 Original Completion Date: 12-16-04 Original Total Depth: 4832

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

Spot Description: N/2 - N/2 - SE Sec. 36 Twp. 27 S. R. 18  E  W (a/a/a/a) 2,310 feet from  N /  S Line of Section 1,320 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular? (Note: Locate well on the Section Plat on reverse side)

County: Kiowa Lease Name: Yohn Well #: 1-36

Field Name: \_\_\_\_\_ Is this a Prorated / Spaced Field?  Yes  No Target Formation(s): Miss.

Nearest Lease or unit boundary line (in footage): 330 Ground Surface Elevation: 2174 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: 190 Depth to bottom of usable water: 290

Surface Pipe by Alternate:  I  II Length of Surface Pipe Planned to be set: 422

Length of Conductor Pipe (if any): none Projected Total Depth: 4832 Formation at Total Depth: Kinderhook

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 correct to the best of my knowledge and belief.

Date: 12/26/07 Signature of Operator or Agent: K Todd Allam Title: President

For KCC Use ONLY API # 15 - 097-21556-00-01 Conductor pipe required None feet Minimum surface pipe required 422 feet per ALT.  I  II Approved by: RWH 11-30-07 This authorization expires: 11-30-08 (This authorization void if drilling not started within 12 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: \_\_\_\_\_

36 27 18  E  W

**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 - 097-21556-00-01  
 Operator: VAL Energy Inc.  
 Lease: Yohn  
 Well Number: 1-36  
 Field: \_\_\_\_\_

Location of Well: County: Kiowa  
 \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 36 Twp. 27 S. R. 18  E  W

Number of Acres attributable to well: \_\_\_\_\_  
 QTR/QTR/QTR/QTR of acreage: N/2 - N/2 - SE - \_\_\_\_\_

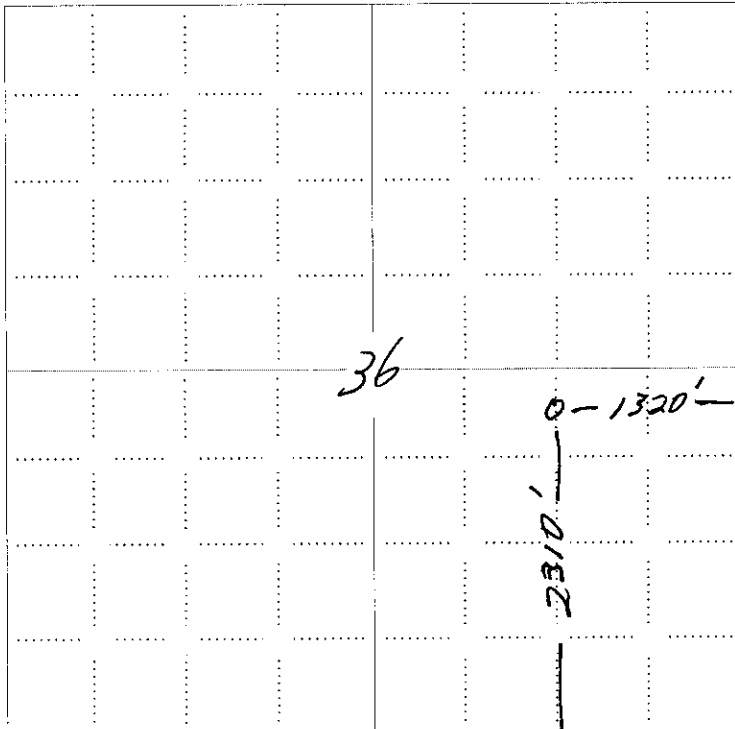
Is Section:  Regular or  Irregular

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

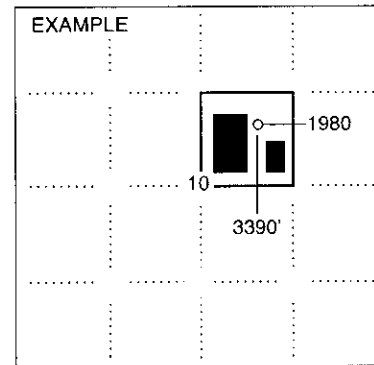
Section corner used:  NE  NW  SE  SW

**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  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

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CONSERVATION DIVISION  
WICHITA, KS  
Form CDP-1  
April 2004  
must be Typed

*Submit in Duplicate*

Operator Name: VAL Energy Inc.		License Number: 5822	
Operator Address: 200 West Douglas #520		Wichita Ks 67202	
Contact Person: K Todd Allam		Phone Number: 316-263-6688	
Lease Name & Well No.: Yohn 1-36		Pit Location (QQQQ): N/2 N/2 SE	
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 <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 1,000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
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?		Sec. 36 Twp. 27 R. 18 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2,310 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1,320 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Kiowa County	
Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) Depth from ground level to deepest point: 4 (feet)		<input checked="" type="checkbox"/> N/A: Steel Pits <input type="checkbox"/> 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 301 feet    Depth of water well 105 feet		Depth to shallowest fresh water 37 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: Fresh mud Number of working pits to be utilized: 1 Abandonment procedure: pull 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.			
11/26/07 Date		 Signature of Applicant or Agent	

15-097-21556-00-01

<b>KCC OFFICE USE ONLY</b>		Steel Pit <input type="checkbox"/>	RFAC <input checked="" type="checkbox"/>	RFAS <input checked="" type="checkbox"/>
Date Received: 11/27/07	Permit Number: _____	Permit Date: 11/30/07	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	slay/bentonite

STATE OF KANSAS  
STATE CORPORATION COMMISSION  
130 South Market, Room 2078  
Wichita, Kansas 67202-3802

WELL PLUGGING RECORD  
K.A.R.-82-3-117

API NUMBER 16-097-21556-00-00

LEASE NAME Yohn

WELL NUMBER 1-36

TYPE OR PRINT  
NOTICE: Fill out completely  
and return to Cons. Div.  
office within 30 days.

2310 Ft. from S Section Line

1320 Ft. from E Section Line

SEC. 36 TWP. 27 RGE. 18 (W)

COUNTY Kiowa County, Kansas

LEASE OPERATOR Vincent Oil Corporation

ADDRESS 125 N. Market - Suite 1075 Wichita, KS 67202

PHONE#( 316 ) 262-3573 OPERATORS LICENSE NO. 5004

Character of Well D&A

(Oil, Gas, D&A, SWD, Input, Water Supply Well)

Date Well Completed 12-17-04

Plugging Commenced 12-17-04

Plugging Completed 12-17-04

The plugging proposal was approved on 12-15-04 (date)

by Steve Pfeifer (KCC District Agent's Name).

Is ACO-1 filed? Yes If not, is well log attached? \_\_\_\_\_

Producing Formation \_\_\_\_\_ Depth to Top \_\_\_\_\_ Bottom \_\_\_\_\_ T.D. 4825'

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

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.

1st Plug: 1180' w/50 sacks cement through drillpipe

2nd Plug: 450' w/50

3rd Plug: 40' w/10 Rathole w/15 Mousehole w/10

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KCC WICHITA

Name of Plugging Contractor Duke Drilling Co., Inc. License No. 5929

Address PO Box 823 Great Bend KS 67530

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: Vincent Oil Corporation

STATE OF KANSAS COUNTY OF SEDGWICK, ss.

Richard A. Hiebsch (Employee of Operator) or (Operator) of 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 that the same are true and correct, so help me God.

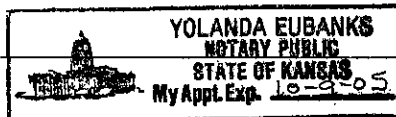
(Signature) Richard A. Hiebsch

(Address) 125 N. Market, Suite 1075, Wichita, KS 67202

SUBSCRIBED AND SWORN TO before me this 29th day of December, 192004

Yolanda Eubanks  
Notary Public

My Commission Expires: \_\_\_\_\_



Form CP-4  
Revised 05-88

November 30, 2007

K Todd Allam  
VAL Energy Inc.  
200 West Douglas, Ste 520  
Wichita, KS 67202

Re: Drilling Pit Application  
Yohn Lease Well No. 1-36  
SE/4 36-27S-18W  
Kiowa County, Kansas

Dear Mr. Allam:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve pit be lined with native clay or bentonite, 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 the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again 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, 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: <http://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 undersigned at the above address.

Sincerely,



Jonelle Rains, Supervisor  
Department of Environmental Protection and Remediation

cc: Steve Durrant  
File

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802  
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>