



For KCC Use:  
 Effective Date: 01/28/2008  
 District # 1  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION 1015644  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 October 2007  
 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: 02/07/2008  
 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 + 1719  
 Contact Person: MIKE MITCHELL  
 Phone: 316-262-1378  
 CONTRACTOR: License# 5822  
 Name: Val Energy, Inc.

Spot Description:  
 (a.a.a.a) NW - NW - SW Sec. 11 Twp. 31 S. R. 22  E  W  
 2,310 feet from  N /  S Line of Section  
 330 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: GRC Well #: 2-11(SW)  
 Field Name: WILDCAT  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): MORROW;MISSISSIPPIAN  
 Nearest Lease or unit boundary line (in footage): 330  
 Ground Surface Elevation: 2154 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: 650  
 Length of Conductor Pipe (if any): 60  
 Projected Total Depth: 5400  
 Formation at Total Depth: MISSISSIPPIAN  
 Water Source for Drilling Operations:  
 Well  Farm Pond  Other:  
 DWR Permit #: 20070218

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:  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 #:

(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.

**Submitted Electronically**

**For KCC Use ONLY**  
 API # 15 - 15-025-21444-00-00  
 Conductor pipe required 0 feet  
 Minimum surface pipe required 200 feet per ALT.  I  II  
 Approved by: Rick Hestermann 01/23/2008  
 This authorization expires: 01/23/2009  
 (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:  E  W  
 Signature of Operator or Agent:



1015644

**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 - 15-025-21444-00-00

Operator: Falcon Exploration, Inc.

Lease: GRC

Well Number: 2-11(SW)

Field: WILDCAT

Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: - NW - NW - SW

Location of Well: County: Clark

2,310 feet from  N /  S Line of Section

330 feet from  E /  W Line of Section

Sec. 11 Twp. 31 S. R. 22  E  W

Is Section:  Regular or  Irregular

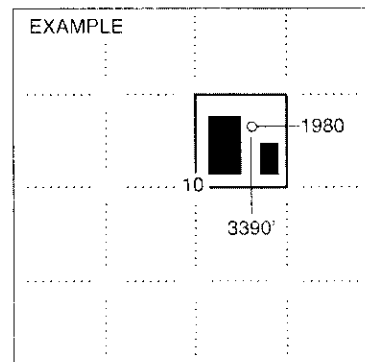
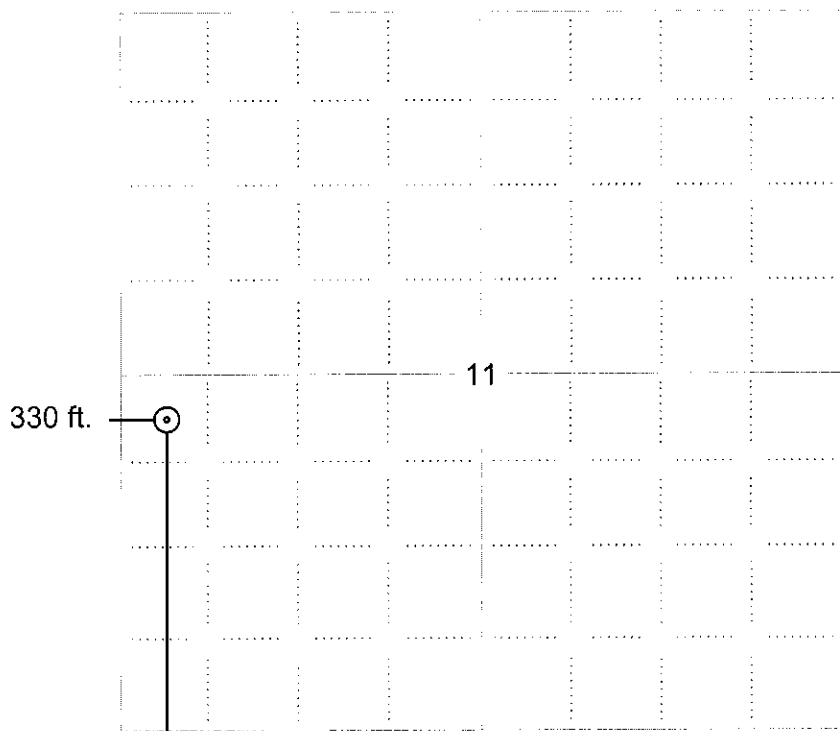
**If Section is Irregular, locate well from nearest corner boundary.**

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.)*



SEWARD CO.

**NOTE: In all cases locate the spot of the proposed drilling location.**

2310 ft.

**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 1015644  
 OIL & GAS CONSERVATION DIVISION  
**APPLICATION FOR SURFACE PIT**

Form CDP-1  
 April 2004  
 Form must be Typed

Submit in Duplicate

Operator Name: Falcon Exploration, Inc.		License Number: 5316	
Operator Address: 125 N MARKET STE 1252		WICHITA KS 67202	
Contact Person: MIKE MITCHELL		Phone Number: 316-262-1378	
Lease Name & Well No.: GRC 2-11(SW)		Pit Location (QQQQ): _____ NW _____ SW Sec. 11 Twp. 31 R. 22 <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 330 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Clark _____ 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 <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: 5,000 (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? NATIVE CLAY AND MUD	
Pit dimensions (all but working pits): _____ 100 _____ Length (feet) _____ 80 _____ 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 _____ 2745 _____ feet Depth of water well _____ 80 _____ feet		Depth to shallowest fresh water _____ 35 _____ 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: CHEMICAL MUD Number of working pits to be utilized: _____ 3 _____ Abandonment procedure: ALLOW TO DRY COMPLETELY. THEN BACKFILL WHEN CONDITIONS ALLOW. Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			
<b>KCC OFFICE USE ONLY</b>			
Date Received: 01/16/2008		Permit Number: 15-025-21444-00-00	
Permit Date: 01/23/2008		Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Steel Pit <input checked="" type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>			

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



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

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January 23, 2008

MIKE MITCHELL  
Falcon Exploration, Inc.  
125 N MARKET STE 1252  
WICHITA, KS67202-1719

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

Dear MIKE MITCHELL:

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

District staff has instructed that no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit. This location will have to be inspected prior to approval of the haul-off pit application. Conservation division forms are available through our office and on the KCC web site: [kcc.ks.gov/conservation/forms/](http://kcc.ks.gov/conservation/forms/).

**HAUL-OFF PIT APPLICATION  
FILING REQUIREMENTS**

- 82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.**
- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
  - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
  - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
    - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
    - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
    - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
    - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
  - (2) a \$2,500 penalty for the second violation; and
  - (3) a \$5,000 penalty and an operator license review for the third violation.

**Complete and return with Haul-Off Pit Application, Form CDP1(2004)**

Haul-off pit will be located in an on-site disposal area: \_\_\_ Yes \_\_\_ No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: \_\_\_ Yes \_\_\_ No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: \_\_\_ Yes \_\_\_ No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.