

For KCC Use:
 Effective Date: 1-15-08
 District # 1
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

*** 2108**
CORRECTED
Correction

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: 1 month 15 day 2008 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: _____

Spot Description: SW NE SW SE
3/2 SW NE Sec. 14 Twp. 29 S. R. 18 E W
825 feet from N / S Line of Section
1,980 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: Wedel Murray Well #: V1-14
 Field Name: _____

Well Drilled For: Oil Gas Seismic; # of Holes _____
 Enh Rec Storage Disposal
 Infield Pool Ext. Wildcat Other _____
 Other: _____
 If OWWO: old well information as follows:

Is this a Prorated / Spaced Field? Yes No ✓
 Target Formation(s): Miss.
 Nearest Lease or unit boundary line (in footage): 825
 Ground Surface Elevation: 2168 est. 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: 120
 Depth to bottom of usable water: 340
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 450
 Length of Conductor Pipe (if any): none
 Projected Total Depth: 4950
 Formation at Total Depth: Mississippian

Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Water Source for Drilling Operations:
 Well Farm Pond Other:
 DWR Permit #: _____
 (Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No ✓
 If Yes, proposed zone: _____

* WAS: Lease name: Wedel
 IS: " " : Murray

AFFIDAVIT

RECEIVED
 KANSAS CORPORATION COMMISSION

RECEIVED
 KANSAS CORPORATION COM

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:

FEB 01 2008

JAN 10 2008

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.

CONSERVATION DIVISION
 WICHITA, KS

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 1-10-08 Signature of Operator or Agent: K Todd Allam Title: President

For KCC Use ONLY
 API # 15 - 097-21627-0000
 Conductor pipe required None feet
 Minimum surface pipe required 360 feet per ALT. I II
 Approved by: KWA 1-10-08 / KWA 2-1-08
 This authorization expires: 1-10-09
 (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: _____

14
 29
 18
 E
 W