

For KCC Use:
Effective Date: 2-12-08
District # 1
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

Corrected

Form C-1

October 2007

Form must be Typed

Form must be Signed

All blanks must be Filled

*2-40

CORRECTED

Expected Spud Date: 2 25 2008
month day year

Spot Description: C W/2 E/2 SE/4

C W/2 E/2 SE/4 Sec. 4 Twp. 33 S. R. 12 ☐ E ☒ W
(Q/Q/Q/Q) 1,920 feet from ☐ N ☒ S Line of Section
990 feet from ☒ E ☐ W Line of Section

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: VAL Energy Inc.

Is SECTION: ☒ Regular ☐ Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Barber

Lease Name: Plye Well #: 2-4

Field Name: Medicine Lodge - Briggs

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Miss.

Nearest Lease or unit boundary line (in footage): 330

Ground Surface Elevation: 1508 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: 180

Depth to bottom of usable water: 180

Surface Pipe by Alternate: ☒ I ☐ II

Length of Surface Pipe Planned to be set: 250

Length of Conductor Pipe (if any): none

Projected Total Depth: 4750

Formation at Total Depth: Mississippian

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: _____

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 31 2008

CONSERVATION DIVISION
WICHITA, KS

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: 1/31/08 Signature of Operator or Agent: K Todd Allam Title: President

For KCC Use ONLY

API # 15 - 007-23258-0000
Conductor pipe required None feet
Minimum surface pipe required 200 feet per ALT. ☒ I ☐ II
Approved by: 1/31/08 / 1/31/08
This authorization expires: 2-7-09
(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: _____