

* Min. Surface Pipe Alt.
CORRECTED

Form C-1
October 2007
Form must be Typed
Form must be Signed
All blanks must be Filled

For KCC Use:
Effective Date: 8-16-2009
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

Expected Spud Date: 8/16/2009
month day year

OPERATOR: License# 5822 ✓
Name: VAL Energy Inc.
Address 1: 200 W Douglas Suite 520
Address 2: _____
City: Wichita State: KS Zip: 67202 +
Contact Person: Todd Allam
Phone: 316-263-6666

CONTRACTOR: License# 5822 ✓
Name: VAL Energy

Well Drilled For: Oil Gas Enh Rec Storage Disposal Seismic Other: _____ # of Holes _____
Well Class: Infield Pool Ext. Wildcat Other _____
Type Equipment: Mud Rotary Air Rotary Cable

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 #: _____

Spot Description: CN2-NW-NW-NE
CN/Z - NW - NW - NE Sec. 5 Twp. 35 S. R. 11 E W
(0000) 185 feet from N / S Line of Section
2,310 feet from E / W Line of Section

Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Barber
Lease Name: Goldman/Melcher Well #: 2-5

Field Name: _____
Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Mississippian
Nearest Lease or unit boundary line (in footage): 495'

Ground Surface Elevation: 1352' 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 # _____

Length of Surface Pipe Planned to be set: 200+

Length of Conductor Pipe (if any): _____

Projected Total Depth: 4850'

Formation at Total Depth: Miss.

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: _____

Common tank battery & gas meter Agreement submitted.

AFFIDAVIT

KANSAS CORPORATION COMMISSION

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: 08/10/2009 Signature of Operator or Agent: Todd Allam Title: President

**AUG 10 2009
RECEIVED**

For KCC Use ONLY
API # 15 - 007-23444-00-00
Conductor pipe required None feet
Minimum surface pipe required 200 feet per ALT. I
Approved by: put 8-11-2009 / put 8-12-2009
This authorization expires: 8-11-2010
(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 80 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: _____

5
35
11
 E
 W

* WAS: Minimum Surface Pipe required: 200 ALT II
IS: " " " " " ALT I

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