

For KCC Use: 12-1-2012
 Effective Date: 12-1-2012
 District #: 2
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form C-1
 March 2010

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
 Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: 12 12 12
 month day year

OPERATOR: License# 30525
 Name: D.S. LANGSTON
 Address 1: 310 W. CENTRAL, STE.# 202
 Address 2:
 City: WICHITA State: KS Zip: 67202 +
 Contact Person: DAVID S. LANGSTON
 Phone: (620) 786-0874
 CONTRACTOR: License# 5822
 Name: VAL ENERGY INC.

Spot Description:
 NE NW NE Sec. 8 Twp. 31 S. R. 3 E W
 (Q/Q/Q/Q) 160 feet from N / S Line of Section
2,010 feet from E / W Line of Section

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

Lease Name: ZERENER Well #: B-1
 Field Name: CONWAY SPRINGS
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): KC & SIMPSON

Nearest Lease or unit boundary line (in footage): 330' +
 Ground Surface Elevation: 1403.2 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: 230'
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 250'
 Length of Conductor Pipe (if any):
 Projected Total Depth: 4450'
 Formation at Total Depth: SIMPSON

Water Source for Drilling Operations:
 Well Farm Pond Other: farm well(s) are also a possibility
 DWR Permit #: (Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone:

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

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 #:

Oil & Gas leases w/ pooling clauses submitted.

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 to the best of my knowledge and belief.

Date: 10/24/2012 Signature of Operator or Agent: [Signature] Title: INDEP. OIL & GAS OPERATOR

For KCC Use ONLY
 API # 15 - 191-22666-0000
 Conductor pipe required None feet
 Minimum surface pipe required 250 feet per ALT. I II
 Approved by: [Signature] 11-26-2012
 This authorization expires: 11-26-2013
 (This authorization void if drilling not started within 12 months of approval date.)
 Spud date: Agent:

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- 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 well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: Signature of Operator or Agent:

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

RECEIVED
 OCT 30 2012
 KCC WICHITA

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31
3
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X
W

For KCC Use ONLY

API # 15 - 191-226666-0000

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: D.S. LANGSTON
Lease: ZERENER
Well Number: B-1
Field: CONWAY SPRINGS

Location of Well: County: SUMNER
160 feet from N / S Line of Section
2,010 feet from E / W Line of Section
Sec. 8 Twp. 31 S. R. 3 E W

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: NE - NW - NW - NE

Is Section: Regular or Irregular

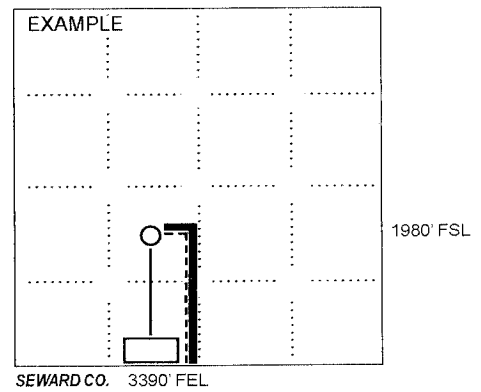
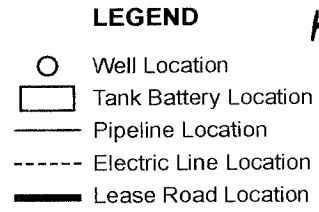
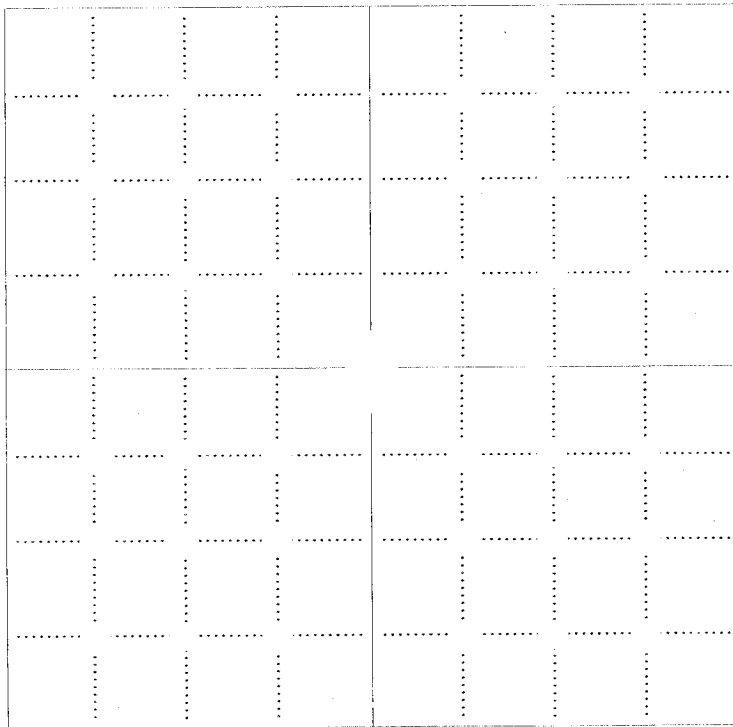
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT - SEE ATTACHED

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.

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KCC WICHITA



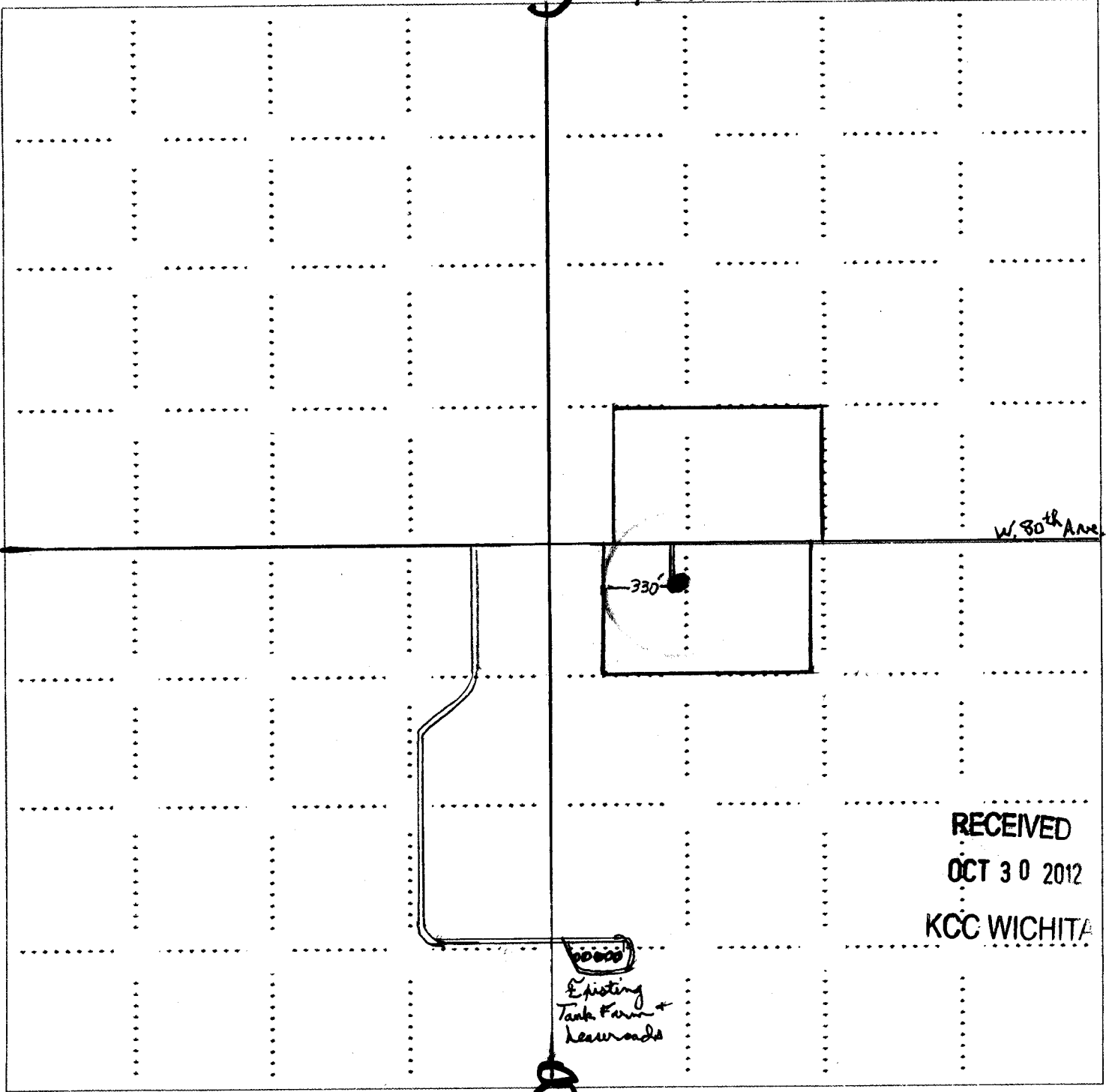
NOTE: In all cases locate the spot of the proposed drilling locaton.

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).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

5

15-191-22666-0500



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

NE NW NW NE of Sec. 8-315-3W SUMNER Co., KS

ZERENEY B-1
 TEST WELL

This Zereney B-1 Oil Unit and the location of the test well is shown above. The anticipated oil unit will consist of (2) 15.53 acre tracts: towards the SW corner of SE 1/4 of Sec. 5 + the NW corner of NE 1/4 of Sec. 8, All on leases held by P.S. Langston.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

15-191-22666-0000

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # 30525
Name: D.S. LANGSTON
Address 1: 310 W. CENTRAL, STE # 202
Address 2:
City: WICHITA State: KS Zip: 67202 +
Contact Person: David S. Langston
Phone: (620) 786-0874 Fax: (316) 263-7820
Email Address: klang4@yahoo.com

Well Location:
NE NW NW NE Sec. 8 Twp. 31 S. R. 3 East West
County: SUMNER
Lease Name: ZERENER Well #: B-1

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: Calvin G. Zerener & Betty Ann Zerener Trust
Address 1: 1147 W. 80th Ave. N
Address 2:
City: Conway Springs State: KS Zip: 67031 +

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

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

Date: 10/24/2012 Signature of Operator or Agent:  Title: INDEP. OIL & GAS OPERATOR

D.S. Langston
Independent Oil & Gas Operator
310 W. Central, Ste.# 202
Wichita, Kansas 67218
Cell: (620) 786-0874
Office: (316) 265-4411
Fax: (316) 263-7820

October 24, 2012

**KANSAS CORP. COMMISSION
CONSERVATION DIVISION
130 S. MARKET, ROOM 2078
WICHITA, KS 67202-3802**

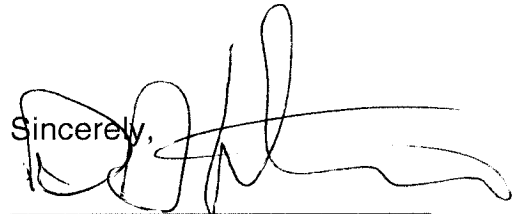
Re: **INTENT TO DRILL**
For Applicants' upcoming **ZERENER #B-1 test well**
to be located within the NE NW NW NE of Sec. 8 - 31S - 3W
Sumner Co., Kansas

Dear Staff:

Enclosed please find the now fully prepared Notice Of Intent To Drill for our ZERENER # B-1 test well. Please note that the well is to be located only 160' FNL of Sec. 8, but I have the right to form an oil unit not exceeding 40 acres, and control all necessary lands/leases adjacent to such drill-site in both Sec. 8 and Sec. 5 (see supporting plat and copies of such leases attached). Val Energy Inc. will be the drilling contractor (lic. # 5822) on this 4450' test. Please advise if you need any further information.

Thank you for your consideration and assistance.

Sincerely,



D.S. Langston, Producer #30525

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OCT 30 2012
KCC WICHITA**

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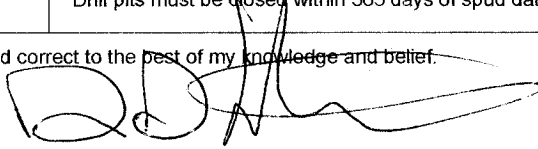
OCT 30 2012

Form CDP-1
May 2010
Form must be Typed

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

APPLICATION FOR SURFACE PIT **KCC WICHITA**

Submit in Duplicate

Operator Name: D.S. LANGSTON		License Number: 30525	
Operator Address: 310 W. CENTRAL, STE# 202		WICHITA KS 67202	
Contact Person: DAVID S. LANGSTON		Phone Number: 620 786-0874	
Lease Name & Well No.: ZERENER B-1		Pit Location (QQQQ):	
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 <small>(If WP Supply API No. or Year Drilled)</small>		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 <small>(For Emergency Pits and Settling Pits only)</small>	
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? FRESH WATER MUD (BENTONITE)			
Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure. Val Energy's rig will be equipped with steel pits for everything but reserve pit		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: <input checked="" type="checkbox"/> 600 feet Depth of water well 65 feet		Depth to shallowest fresh water 50 feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
Emergency, Settling and Burn Pits ONLY: 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		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: 1 Abandonment procedure: ALLOW PITS TO DRY BEFORE PUSHING IN, SMOOTH & RESEEDING OR REPLANTING 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.			
10/24/12 Date		 Signature of Applicant or Agent	

15-191-22666-0000

KCC OFFICE USE ONLY			
Date Received: 10/30/12		Permit Number: _____	
Permit Date: 11-26-12		Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		<input checked="" type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS	

November 26, 2012

DS Langston
310 W Central Ste 202
Wichita, KS 67202

Re: Drilling Pit Application
Zerener Lease Well No. B-1
NE/4 Sec. 08-31S-03W
Sumner County, Kansas

Dear Sir or Madam:

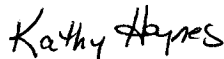
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slots, the bottom shall be flat and reasonably level, and all pits must be lined with bentonite. The free fluids must be removed. The fluids are to be removed from the reserve 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 within 1 week 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 (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2004), 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: www.kcc.state.ks.us/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,



Kathy Haynes
Environmental Protection and Remediation Department

cc: File