

P. up by Val Energy

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 10-11-93

State of Kansas

NOTICE OF INTENTION TO DRILL

DISTRICT # 1

SGA? Yes No

Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date August 9 1993

Spot NE SW NE Sec 7 Twp 31 S Rg 8 East West

OPERATOR: License # 30793 Energy Marketing, Inc. Name: c/o 601 South Boulder, Suite 600 City/State/Zip: Tulsa, OK 74119 Contact Person: Mark Reichardt Phone: (918) 583-1600

1,650 feet from South (North) line of Section 1525 feet from (East) West line of Section IS SECTION X REGULAR IRREGULAR

CONTRACTOR: License # 5822 Val Energy Name: 522-1560

(NOTE: Locate well on the Section Plat on Reverse Side) County: Harper Lease Name: Kernohan Well #: 4-7 Field Name: Spivey-Grabs

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

Is this a Prorated/Spaced Field? X yes no Target Formation(s): MSSP Nearest lease or unit boundary: 200' FSL 330 205'

If OWWO: old well information as follows: Operator: Well Name: Comp. Date: Old Total Depth

Ground Surface Elevation: Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: 100' 200' Depth to bottom of usable water: Surface Pipe by Alternate: X 1 Length of Surface Pipe Planned to be set: (250) 200 Length of Conductor pipe required: N/A Projected Total Depth: 4,500' Formation at Total Depth: MSSP Water Source for Drilling Operations: X well farm pond other

Directional, Deviated or Horizontal wellbore? yes X no If yes, true vertical depth: Bottom Hole Location:

DWR Permit #: Will Cores Be Taken? yes X no If yes, proposed zone:

WDS: 165 FEL

AFFIDAVIT IS: 1525 FEL Spivey-52323 (0-5,019)

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq. It is agreed that the following minimum requirements will be met:

Well Location Exception

- 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. 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: 7-27-93 Signature of Operator or Agent: Mark Reichardt Title: Sr. Operations Engineer

RECEIVED KANSAS CORPORATION COMMISSION JUL 28 1993 7-28-93 CONSERVATION DIVISION WICHITA, KS

FOR KCC USE: API # 15- 072 21272-0000 Conductor pipe required None feet Minimum surface pipe required 200 feet per Alt. (1) X Approved by: CB 10-6-93 This authorization expires: 4-6-94 (This authorization void if drilling not started within 6 months of effective 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; - Obtain written approval before disposing or injecting salt water.

Mail to: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

7 31 8

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 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- _____
 OPERATOR Energy Marketing
 LEASE Kernohan
 WELL NUMBER 4-7
 FIELD Spivey-Grabs

LOCATION OF WELL: COUNTY Harper
1,650 feet from south/north line of section
1,650 feet from east/west line of section
 SECTION 7 TWP 31S RG 8W

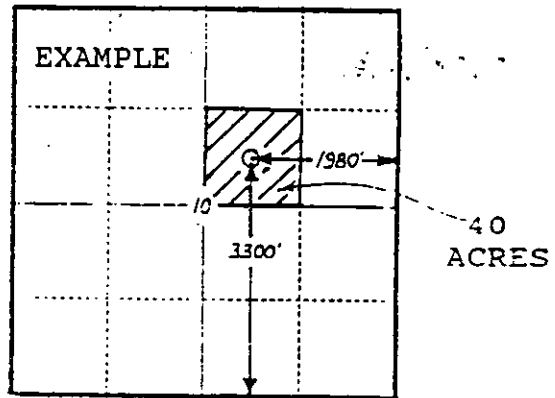
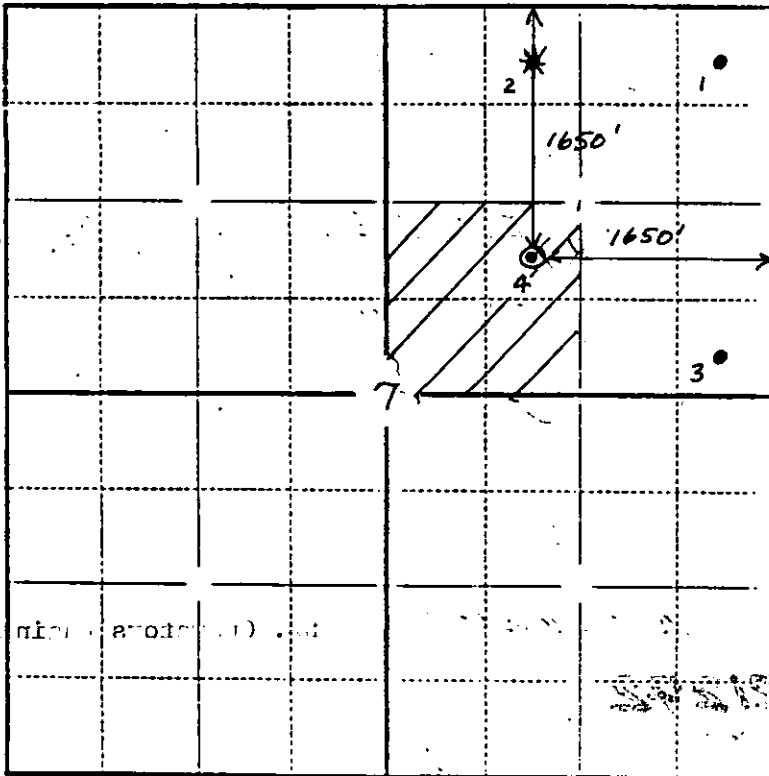
NUMBER OF ACRES ATTRIBUTABLE TO WELL 40
 QTR/QTR/QTR OF ACREAGE SW NE

IS SECTION X 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.)



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 section's south/north and east/west lines; and
- 3) the distance to the nearest lease or unit boundary line.