

Pick-up

FOR KCC USE:

EFFECTIVE DATE: 7-5-93

DISTRICT # 2

SEAT Yes No

State of Kansas

NOTICE OF INTENTION TO DRILL

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

Expected Spud Date July 5, 1993 month day year

Spot SW-NW-SE Sec 2 Twp 32Ss, Rg 7W East West

OPERATOR: License # 5822 Name: VAL Energy, Inc Address: Box 322 City/State/Zip: Haysville, Ks 67060 Contact Person: K Todd Allam Phone: 316-522-1560

1650 feet from South/North line of Section 2316 feet from East/West line of Section IS SECTION REGULAR IRREGULAR

(NOTE: Locate well on the Section Plat on Reverse Side)

County: Harper Lease Name: Williams Well #: 1

CONTRACTOR: License # 5822 Name: VAL Energy, Inc

Field Name: Is this a Prorated/Spaced Field? yes X no

Target Formation(s): Stalnaker Nearest lease or unit boundary: 330

Well Drilled For: Oil, Gas, OWD, Seismic, Other Well Class: Enh Rec, Storage, Disposal, # of Holes Type Equipment: Infield, Pool Ext, Wildcat, Other

Ground Surface Elevation: 1434 feet MSL Water well within one-quarter mile: yes X no

Public water supply well within one mile: yes X no Depth to bottom of fresh water: 200

Depth to bottom of usable water: 200 180 Surface Pipe by Alternate: X 1 2

Length of Surface Pipe Planned to be set: (250) 200 Length of Conductor pipe required: None

Projected Total Depth: 3700 Formation at Total Depth: Stalnaker

Water Source for Drilling Operations: well farm pond XX other

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

DWR Permit #: Will Cores Be Taken?: If yes, proposed zone:

Directional, Deviated or Horizontal wellbore? If yes, true vertical depth: Bottom Hole Location

AFFIDAVIT

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:

- 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: 6-18-93 Signature of Operator or Agent: Title: President

RECEIVED KANSAS CORPORATION COMMISSION

JUN 18 1993

CONSERVATION DIVISION WICHITA, KS

FOR KCC USE: API # 15- 079-21269-00-00 Conductor pipe required None feet Minimum surface pipe required 200 feet per Alt. 1 X Approved by: C.B. 6-30-93 This authorization expires: 12-30-93 (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.

2 32 7w

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 fr 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 VAL Energy, Inc.
 LEASE Williams
 WELL NUMBER 1
 FIELD _____

LOCATION OF WELL: COUNTY Harper
 _____ feet from south/north line of section
1650
 _____ feet from east/west line of section
2316
 SECTION 2 TWP 32S RG 7W

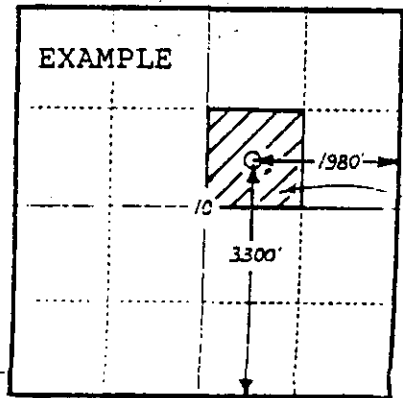
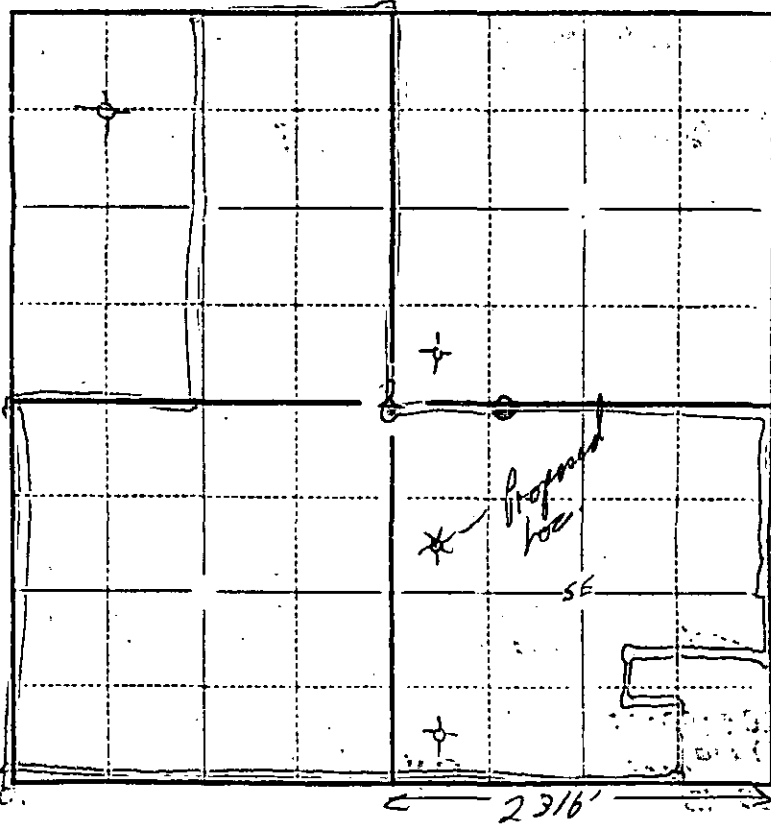
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____

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.)



SEWARD CO.

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.