

FOR KCC USE:

FORM C-1 7/91

EFFECTIVE DATE: 9-2-92

FORM MUST BE TYPED

DISTRICT # 2

FORM MUST BE SIGNED

SEAT X Yes No

ALL BLANKS MUST BE FILLED

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

month

day

year

C SW SE 23 25S 10W East West

OPERATOR: License # 5822vName: VAL Energy, Inc.Address: Box 322 Haysville, Ks.City/State/Zip: Ks. Todd AllamContact Person: 316-522-1560Phone: 316-522-1560660 feet from South / North line of Section
1980 feet from East / West line of SectionIS SECTION X REGULAR IRREGULAR

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

County: RenoLease Name: Linder Well #: 1-23Field Name: W.C.Is this a Prorated/Spaced Field? yes X noTarget Formation(s): Miss.Nearest lease or unit boundary: 660Ground Surface Elevation: 1722 feet MSLWater well within one-quarter mile: yes X noPublic water supply well within one mile: yes X noDepth to bottom of fresh water: 80'Depth to bottom of usable water: 125'Surface Pipe by Alternate: X 1 2Length of Surface Pipe Planned to be set: 160'Length of Conductor pipe required: Projected Total Depth: 4350Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:

X well farm pond otherDWR Permit #: Will Coras Be Taken? yes X noIf yes, proposed zone:

Well Drilled For: Well Class: Type Equipment:

X Oil Enh Rec Infield X Mud Rotary Gas Storage Pool Ext. Air Rotary OWD Disposal X Wildcat Cable Seismic; # of Holes Other Other

If OWD: old well information as follows:

Operator: Well Name: Comp. Date: Old Total Depth Directional, Deviated or Horizontal wellbore? yes XX noIf 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: 8-25-92 Signature of Operator or Agent: Todd Allam Title: President

FOR KCC USE:

API # 15- 155-21215-0000Conductor pipe required None feetMinimum surface pipe required 160' feet per Alt. XApproved by: C.B. 8-28-92This authorization expires: 2-28-93

(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 ACD-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.

8-27-92
AUG 27 1992
KANSAS CORPORATION COMMISSION
RECEIVED
CONSERVATION DIVISION
WICHITA, KS

23
25
10

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 VAL Energy, Inc.
 LEASE Lander
 WELL NUMBER 1-23
 FIELD _____

LOCATION OF WELL: COUNTY Dona
660 feet from south/north line of section
1980 feet from east/west line of section
 SECTION 23 TWP 25S RG 10W

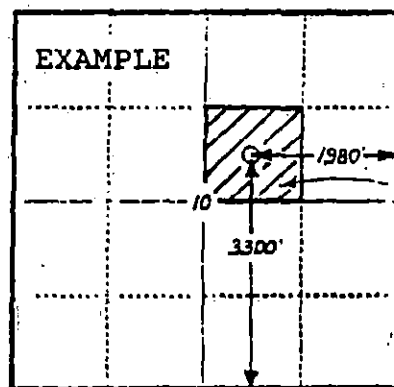
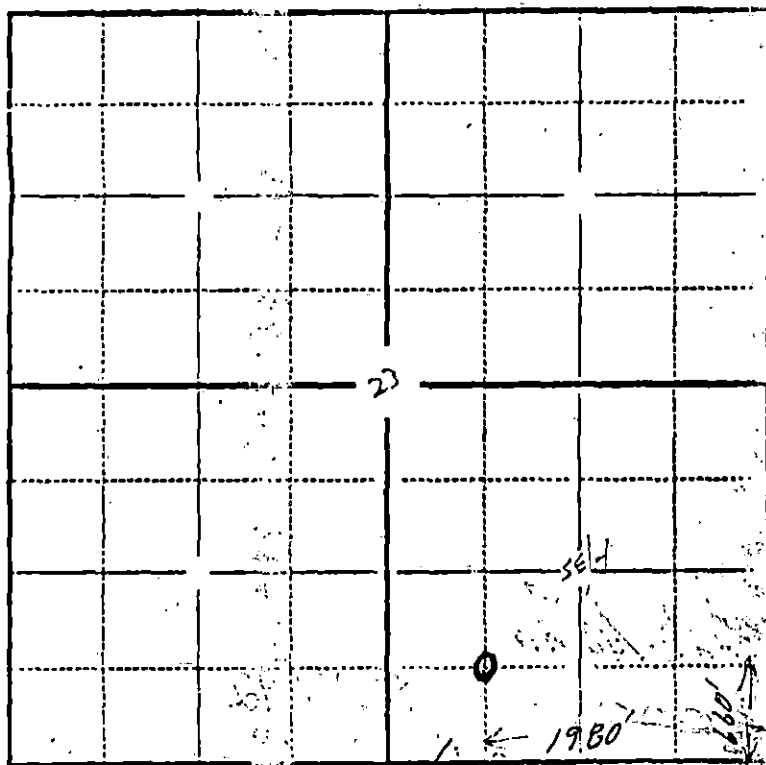
NUMBER OF ACRES ATTRIBUTABLE TO WELL 10
 QTR/QTR/QTR OF ACREAGE SW SE _____

IS SECTION xx 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.

40
ACRES

40 Acres

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.