

EFFECTIVE DATE: 11-20-91

State of Kansas
NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGN
ALL BLANKS MUST BE FILL

DISTRICT # 2
SEAT Yes No

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

Expected Spud Date November 15 1991
month day year

Spot NW SW SW Sec 3 Top 25S S, Rg 8W East

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

..... feet from South / North line of Section
..... feet from East / West line of Section
IS SECTION XX REGULAR IRREGULAR

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Reno
Lease Name: Schmidt Well #: 1
Field Name: UNNAMED

CONTRACTOR: License #: 5822
Name: VAL Energy, Inc.

Is this a Protected/Spaced Field? yes no XX
Target Formation(s): Simpson 330

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

Nearest lease or unit boundary: 11e 29' feet N
Ground Surface Elevation: 11e 29' feet M
Water well within one-quarter mile: yes X

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

Public water supply well within one mile: yes X
Depth to bottom of fresh water: 75'
Depth to bottom of usable water: 120'

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

Surface Pipe by Alternate: XX 1 2
Length of Surface Pipe Planned to be set: 300
Length of Conductor pipe required: 0

Projected Total Depth: 4150
Formation at Total Depth: simpson

Water Source for Drilling Operations:
..... well farm pond oth

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

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 DAY 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: 11-8-91 Signature of Operator or Agent: K. Todd Allam Title: President

FOR KCC USE:
 API # 15- 155-21182-0000
 Conductor pipe required None feet
 Minimum surface pipe required 140 feet per Alt. ①
 Approved by: mtu 11-13-91
 This authorization expires: 5-15-92
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

11-12-91
RECEIVED
KANSAS CORPORATION COMMISSION
NOV 12 1991
CONSERVATION DIVISION
WICHITA, KS

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.

3
25
800

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 Schmidt
 WELL NUMBER #1
 FIELD _____

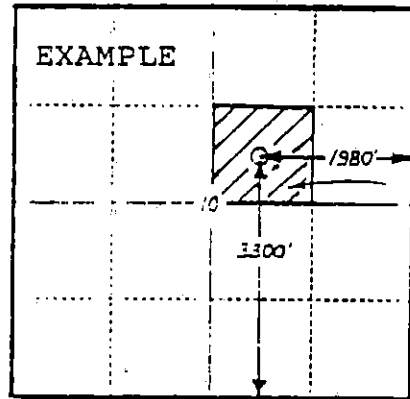
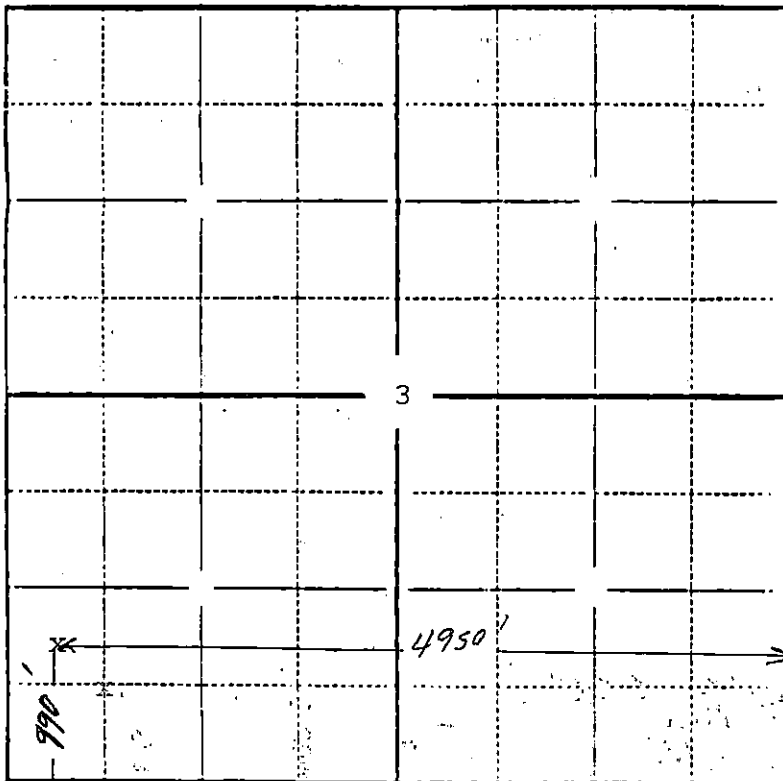
LOCATION OF WELL: COUNTY Reno
990 feet from south/north line of section
4950 feet from east/west line of section
 SECTION 3 TWP 25S RG 8W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 10
 QTR/QTR/QTR OF ACREAGE NW - SW - SW

IS SECTION xx REGULAR or _____ IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

Section corner used: _____ NE _____ NW x 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.)



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.