KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Must be approved to KCC five (5) days prior to commencing well

FOR KCC Use:
API # 15: 007.2289.000
Conductor pipe required: 200 feet per day

Effective Date
District # Yes No
State: Yes No
City/State/Zip: Wichita, Ks. 67201
Contact Person: Todd Allen
Phone: 316-253-6998

OPERATOR: Licensee: 5822
Name: VAL Energy Inc.
Address: Box 116

CONTRACTOR: Licensee: 5822
Name: VAL Energy Inc.

Well Drilled For: Oil
Well Class: Deck
Type Equipment: Mud Rotary

Gas Storage
Oil Field Ext.
Storage
Disposal
Well Ext.
Air Rotary
Cable

If TAWO: old well information as follows

Operator:

Well Name:
Original Composition Date: Original Total Depth:
Method: No later than 6 months horizontal well

Dwell Hole Location:

KCC DKT: 05-06-05

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 water as specified below shall be set by circulating cement to the top; in all cases surface water shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
4. If the well is drilled, 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 surface within 120 days of spud date; or pursuant to Appendix "B" - Eastern Kansas surface casing order #913,891-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: 3-15-2005
Signature of Operator or Agent:

Remember to:
- File Drill or Completion form (COP) 14th intent to Drill
- File Completion Form (COP) 1 within 120 days of spuddate;
- File completion time and date according to field precision orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (COP 4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water;
- If this permit has expired (See authorized expiration date) please check the box below and return to the address below;
- Well Not Drilled - Permit Expired

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

Mail to:
**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 chart below: the well will be properly located in relationship to other wells producing in the same field. Please show all the wells and 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: Frieden

Well Number: V-1-23

Field: 

Number of Acres attributable to well: 

**QTR / QTR / QTR of acreage:** 

**Location of Well:** County: Barber

**Line of Section:** Sec. 29

**Twp:** 33

**S:** R. 10

**N/S Line of Section:** feet from 

**E/W Line of Section:** feet from 

Is Section: ✓ Regular or □ Irregular

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

Section corner used: □ NE □ NW □ SE □ SW

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**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.)

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

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.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is spaced within a prorated or spaced field a certificate of acreage attribution plat must be attached: (0-7 for oil wells; 0-8 for gas wells).
May 10, 2005

Mr. Todd Alam
Val Energy, Inc.
Box 116
Wichita, KS 67201

RE: Drilling Pit Application
Frieden Lease Well No. V-1-29
Sw/4 Sec. 29-35S-10W
Barber County, Kansas

Dear Mr. Alam:

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 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 as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-0888 when the fluids have been removed. Also please file the enclosed CDP-5 form, Surface Pond Waste Transfer, within 30 days of fluid removal.

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: S Durrant