**NOTICE OF INTENT TO DRILL**

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

| Spud Date | Expected Spud Date | Operator | Address | Contact Person | Phone | Contractor | License | Well Class | Well Clear | Type Equipment | Depth of | Date: |
|-----------|-------------------|----------|---------|---------------|-------|------------|---------|------------|------------|------------|------------|----------|------|
| 8/8/05    | 8/18/05           | Rupe Oil Company, Inc. | P.O. Box 783010, Wichita, KS 67279 | Becky Middleton | 316-689-3520 | Val Energy, Inc. | 5822 | Eth Rec | Infield | Mud Rotary | 70'10 | F.W. |

If DWO: oil well information as follows:

Operator:  
Well Name:  
Original Completion Date:  
Original Total Depth:  
Directional, Deviated or Horizontal: (Yes) No  
If Yes, true vertical depth:  
Bottom Hole Location:  
KCC DKT:  

**AFFDIANT**

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 pipe as specified below shall be set by circulating cement to the top, in all cases shall be set through all unconsolidated materials plus a minimum of 20 feet of the underlying formation;
4. If the well is a dry hole, an agreement between the operator and the district office on plugging and plugging 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.

Or pursuant to Appendix "W" - Eastern Kansas surface casing order #133,891-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 well below.

Date: 8/02/05  
Signature of Operator or Agent:  

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**FOR KCC USE ONLY**

API # 15  
Conductor pipe required:  
Minimum surface pipe required:  
Approved to Spud:  
This authorization expires:  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date:  

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**RECEIVED**

Aug 3 2005  
KCC Wichita  

President  

Date: 23/30/12  
Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, W ichita, Kansas 67202

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**FILL IN THE BLANKS**

- Form must be typed
- Form must be signed
- All blanks must be filled
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 locate 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: ________________________________
Well Number: ________________________________
Field: ________________________________

Number of Acres attributable to well: ________________________________
QTR / QTR / QTR of acreage: ________________________________

Location of Well: County: ________________________________
 feet from N / Sec. ________
 feet from E / ________

Sec: ________
Twp. ________
S. R. ________

If Section is irregular, locate well from nearest corner boundary. Section corner used: ________

In Section: ________ Regular or ________ Irregular

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.)

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 located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CO-8 for gas wells).
August 5, 2005

Becky Middleton
Rupe Oil Company, Inc.
PO Box 793010
Wichita, KS 67278

Re: Drilling Pit Application
   Trummel Lease Well No. 1-23
   NW/4 23-30S-120W
   Barber County, Kansas

Dear Ms. Middleton:

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) 225-8888 when the fluids have been removed. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms/

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,

Jonelle Reins
Supervisor
Department of Environmental Protection and Remediation

cc: Steve Durant
File

Conservation Division, Kansas State Office Building, 110 S. Market, Room 207A, Topeka, KS 66629-3002

Phone 316.357.4700  Fax 316.357.6711  www.kcc.state.ks.us