KANSAS CORPORATION COMMISSION
Oil & Gas Conservation Division

NOTICE OF INTENT TO DRILL

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

For KCC Use
Effective Date: 10-5-05
District:
Form C-1

Date in
Space Yes No

Form must be Signed

At blanks must be Filled

Expected Spud Date:

10 15 2005

month day year

OPERATOR:

License #: 5622
Name: VAL Energy, LLC
Address: 200 W. Douglas #520
City/State/Zip: Wichita, KS 67202
Contact Person: Todd Allen
Phone: 316-293-6688

CONTRACTOR:

License #: 5622
Name: 

Well Drilled For:

Gas
Oil
Storage

Well Class:

Infill

Type of Equipment:

Mud Rotary
Air Rotary

GMD:

Disposal

No of Wells:

Other:

If ONWD: old well information follows:

Operator:

Name:

Well Complimentary Date:

Original Total Depth:

Directional, Deviated or Horizontal well?

Yes No

If Yes, true Vertical depth:

Bottom Hole Location:

KCC DKT:

Spot
NW

NW

Sec

Twp

R.

S.

9

23

32

33S

10

10

East

West

6600

feet from

N

S

6600

feet from

W

E

Is DIRECTION Right or Left regular or irregular:

(Note: Locate well on the Section Plan on reverse side)

County: Barber

Lease Name: Circle Industries

Well Name:

Visit #:

Field Name:

Is this a Promoted / Spaced Field?

Yes No

Target Formation(s):

Mississippian

Nearest Lease or unit boundary:

6600

Ground Surface Elevation:

1317

feet MSL

Water well within one-quarter mile

Yes No

Public water supply well within one mile

Yes No

Depth is bottom of fresh water:

1317

feet MSL

Depth to bottom of saline water:

1162

feet MSL

Length of Subtage Pipe Planned to be set

5000

feet

Length of conductor pipe required:

None

Projected Total Depth:

4700

Formation at Total Depth:

Mississippian

Water Source for Drilling Operations:

Well

Farm Pond

Other

DWR Permit #:

Will Cores be taken:

Yes No

(No. Apply for Permit with DWR)

Date of receipt:

SEP 29 2005

ASSURANCE

KANSAS CORPORATION COMMISSION

SEP 29 2005

CONSERVATION DIVISION

WICHITA, KS

Received

DWR Permit #

Yes No

Will Cores be taken?

Yes No

AFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 65 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. 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. If alternate II cementing will be notified by well before either plug or production casing is cemented in;
6. If alternate II completion, production pipe shall be cemented from below any visible water to surface within 120 days of spud date.

Or pursuant to Appendix B, 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 and belief.

Date: 9-26-05

Signature of Operator or Agent: Dan Dwyer

Title: President

FCC Use ONLY

API #: 07-22938-00-00

Conductor pipe required: 

Minimum surface pipe required: 

Approved by:

07-22938-00-00

This authorization expires:

2-30-06

Acting President

Remember to:

- File Drill Plan Application from COP-1 with intent to Drill;
- File Completion Form COP-1 within 120 days of slud date;
- File subsurface attribution plat according to lease promotion order;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after pluging is completed;
- Obtain written approval before discharging or injecting salt water.

If this permit has expired (See authorized expiration date) please check the box below and write to the address below.

Yes

Well Not Drilled - Permit Expired

Signature of Operator or Agent:

Date:

Well to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Flat 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: 007-72998 - 00-00
Operator: VAL Energy Inc.
Lease: Circle Industries
Well Number: 91
Field: 

Number of Acres attributable to well: QTR / QTR / QTR of acreage: _____, NW, NW

Location of Well: County: Barber
660 feet from S. Line of Section
Sec. 32, Twp. 35S, R. 10

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE / NW / SE / SW

KARTIS: 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 utilizing 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: (CD-7 for oil wells; CG-8 for gas wells).
September 29, 2005

Todd Allam
VAL Energy, Inc.
200 W Douglas #520
Wichita KS 67202

Re: Drilling Pit Application
Circle Industries Lease Well No. 1
NW/4 32-33S-10W
Barber County, Kansas

Dear Mr. Allam:

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,

Junelle Rains
Supervisor
Department of Environmental Protection and Remediation

cc: Steve Durrant
File

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
Voice 316.337.4200  Fax 316.337.4211  www.Kcc.state.ks.us