FORM D-9

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

MUST be approved by KCC FIVE (5) DAYS prior to commencing well

All blanks must be filled.

For KCC Use:

Effective Date: 11-28-05

District:

Disct

MM/DD/YY

expected Spud Date:

Day Year

OPERATOR: Licensed

Name: VAL Energy Inc.

Address: 200 N. Douglas #520

City/State/Zip: Wichita, KS 67202

Contact Person: K. Todd Altman

Phone: 316-263-6688

CONTRACTOR: Licensed

Name: VAL Energy Inc.

Well Drilled For:

Oil Gas Storage Disposal Other:

Well Capacity:

Foot Ext. Well Casing Type Equipment

Installation:

Yes No

If "No", old well information as follows:

Operator:

Name:

Well Name:

Original Completion Date:

Original Total Depth:

Directional, Deviated or Horizontal wellbore?

Yes No

If "Yes", vertical depth:

Deviation Hole Location:

KCC DKT \

Affidavit

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55a1, 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 rig site;

3. The minimum amount of surface pipe as specified below shall be set by encircling cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the stable formation.

4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is not necessary prior to plugging.

5. The appropriate district office will be notified before well is either plugged or abandonment casing is cemented in;

6. If an ALTERNATE II COMPLETION, production pipe shall be cemented before any usable water to surface within 120 days of spud date.

Or pursuant to Appendix "B", Kiform Kansas surface casing order no.105,891-C, which applies to the KCC District 3 area, alternates II cementing must be completed within 30 days if the spud date or the well plug is not completed.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date:

Signature of Operator or Agent:

Remember to:

- File Drill Pit Application form CDP-11 with Intent to Drill;
- File Completion Form CCO-1 within 120 days of spud date;
- File any applicable plat to district office for recordation in accordance with platted plan, if applicable;
- Notify the appropriate district office 48 hours prior to working or re-entry;
- Submit plugging report (CD-4) after plugging is completed;
- Obtain written approval before depositing or re-entering well;
- In this permit has expired (i.e., allow untested exemption date) please check the box below and return to this address.

Mail to:

KCC - Conservation Division, 1301 S. Market - Room 2078, Wichita, Kansas 67203

Date:

2005-

Signature of Operator or Agent:

mail to:

KCC - Conservation Division, 1301 S. Market - Room 2078, Wichita, Kansas 67203

3/13/05
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plot 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 title 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 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: Brian
Well Number: 1
Field: 

Location of Well: County: Barber

<table>
<thead>
<tr>
<th>Location</th>
<th>Dist from</th>
<th>Line of Section</th>
<th>West of Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>SW</td>
<td>495</td>
<td>H</td>
<td>N</td>
</tr>
<tr>
<td>NE</td>
<td>495</td>
<td>E</td>
<td>W</td>
</tr>
</tbody>
</table>

Sec.: 31
Twp.: 33S
R. N. 10W

Is Section: Regular or Irregular

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

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 plan by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections.
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. (CG-7 for oil wells; CG-8 for gas wells.)
November 22, 2005

Mr. K. Todd Allam
Val Energy, Inc.
200 W. Douglas #520
Wichita, KS 67202

RE: Drilling Pit Application
Brian Lease Well No. 1
NE/4 Sec. 31-33S-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/conservationforms.

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,

[Signature]
Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant

Conservation Division, Kansas State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202 3002
Phone 316.297.6200 Fax 316.297.6215 www.kcc.state.ks.us