NOTICE OF INTENT TO DRILL

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

For KCC Use:
Effective Date: 9.25.06
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

OPERATOR: WOOLEY OPERATING COMPANY, LLC
License#: 33188
Name: Dean Pattisson
Address: 125 N. Market, Suite 1000
Wichita, Kansas 67202
City/State/Zip:
Phone: 316-267-4370 ext 107

CONTRACTOR: License#: 5822
Name: Val Energy

Month Day Year

Expected Spud Date October 8, 2006

Spot 100' W of
NE SE Sec. 7
Twp. 32
S. R. 16

West

East

N S Line of Section

W E Line of Section

Nearest Lease or unit boundary: 430'

Ground Surface Elevation: 2026'

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 150'

Depth to bottom of usable water: 180'

Surface Pipe by Alternate: 1 2 250'

Length of Surface Pipe Planned to be set: n/a

Length of Conductor Pipe required: n/a

Projected Total Depth: 5650'

Formation at Total Depth: Arblade

DWR Permit #: (Note: Apply for Permit with DWR)

Will Cores be taken? Yes 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 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 pass 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 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: 9/12/06

Signature of Operator or Agent: Dean Pattisson

Operations Manager

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
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 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 - 033-21480-0000
Operator: WOOLSEY OPERATING COMPANY, LLC
Lease: YORK 'C'
Well Number: 1
Field: Wildcat
Number of Acres attributable to well: __________
QTR / QTR / QTR of acreage: NE . NE . SE

Location of Well: County: Comanche
2310' FSL feet from N / S Line of Section
430' FEL feet from E / W Line of Section
Sec. 7 Twp. 32 S. R. 16 East West
Is Section: ✓ Regular or □ Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: □ 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 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: (C0-7 for oil wells; CG-8 for gas wells).
Operator Name: Woolsey Operating Company, LLC  License Number: 33168
Operator Address: 125 N. Market, Suite 1000, Wichita, Kansas 67202
Contact Person: Carl W. Durr, Field Supervisor  Phone Number: (620) 886-5606 ext 27
Lease Name & Well No.: YORK C-1  Pit Location (QQQQ):

<table>
<thead>
<tr>
<th>Type of Pit:</th>
<th>Proposed</th>
<th>Existing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Pit</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Burn Pit</td>
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<td>☐</td>
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<tr>
<td>Settling Pit</td>
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<td>Drilling Pit</td>
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<tr>
<td>Workover Pit</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Haul-Off Pit</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

Pit is: ☑ Proposed  ☐ Existing

If Existing, date constructed: ______________________

Pit capacity: ______________________ (bbls)

Is the pit located in a Sensitive Ground Water Area? ☑ Yes  ☐ No

Chloride concentration: ______________________ mg/l

Is the bottom below ground level? ☑ Yes  ☐ No

Artificial Liner?  ☐ Yes  ☑ No

How is the pit lined if a plastic liner is not used?

Clays from mud will provide sealer.

Pit dimensions (all but working pits): 80 Length (feet)  80 Width (feet)  N/A: Steel Pits

Depth from ground level to deepest point: 4 (feet)

If the pit is lined give a brief description of the liner material, thickness and installation procedure.

Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.

Monitor pits until thoroughly dry.

Distance to nearest water well within one-mile of pit

4718 feet  Depth of water well  1457 feet

Emergency, Settling and Burn Pits ONLY:
Producing Formation: 
Number of producing wells on lease: 
Barrels of fluid produced daily: 
Does the slope from the tank battery allow all spilled fluids to flow into the pit? ☐ Yes  ☐ No

Depth to shallowest fresh water  115 feet.
Source of information: 
measured  well owner  electric log  KDWR

Drilling, Workover and Haul-Off Pits ONLY:
Type of material utilized in drilling/workover: Fresh
Number of working pits to be utilized: 3
Abandonment procedure: When dry, backfill and restore location.

Drill pits must be closed within 365 days of spud date.

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

Date: 9/12/06  Signature: 

KCC OFFICE USE ONLY

Date Received: 9/13/06  Permiit Number:  Permiit Date: 9/19/06  Lease Inspection: ☑ Yes  ☐ No

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
September 19, 2006

Mr. Dean Pattisson
Woolsey Operating Company, LLC
125 N. Market Ste 1000
Wichita, KS 67202

RE: Drilling Pit Application
York C Lease Well No. 1
SE/4 Sec. 07-32S-16W
Comanche County, Kansas

Dear Mr. Pattisson:

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 **compact the sides and bottom with clay**. 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 from the working pits daily. **NO completion fluids or non-exempt wastes shall be placed in the reserve pit.**

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 GDP-5 (August 2004), 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,

[Signature]
Kathy Haynes
Environmental Protection and Remediation Department

*cc: S Durrant*