

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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Document Number:

400096972

Plugging Bond Surety

20100193

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

3. Name of Operator: VAL ENERGY INC 4. COGCC Operator Number: 100679

5. Address: 200 WEST DOUGLAS #520
City: WICHITA State: KS Zip: 67202

6. Contact Name: Jack Fincham Phone: (303)906-3335 Fax: (303)798-1987
Email: fincham4@msn.com

7. Well Name: Dunlap Well Number: # 1

8. Unit Name (if appl): Unit Number:

9. Proposed Total Measured Depth: 5500

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 9 Twp: 17S Rng: 48W Meridian: 6

Latitude: 38.594450 Longitude: -102.788400

Footage at Surface: 1980 FNL/FSL FNL 660 FEL/FWL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4246.61 13. County: KIOWA

14. GPS Data:

Date of Measurement: 09/28/2010 PDOP Reading: 2.2 Instrument Operator's Name: Keith Westfall

15. If well is Directional Horizontal (highly deviated) submit deviated drilling plan.

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL

Sec: Twp: Rng: Sec: Twp: Rng:

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 660 ft

18. Distance to nearest property line: 660 ft 19. Distance to nearest well permitted/completed in the same formation: 3960 ft

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Morrow	MRRW			
St Louis-Spergen	STLSP			

21. Mineral Ownership: Fee State Federal Indian Lease #: _____

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: 20100194

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No Surface Owners Agreement Attached or \$25,000 Blanket Surface Bon \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
All, Sec. 9, T17S, R48W

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 640

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No **If 28, 29, or 30 are "Yes" a pit permit may be required.**

31. Mud disposal: Offsite Onsite

Method: Land Farming Land Spreading Disposal Facility Other: Backfill when dry

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
SURF	17+1/4	13+3/8	54.5#	450	300	450	
1ST	7+7/8	5+1/2	15.5#	5,500	150	5,500	

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments No conductor casing will be used

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment ? Yes No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Jack M. Fincham

Title: Agent Date: _____ Email: fincham4@msn.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Director of COGCC Date: _____

API NUMBER	Permit Number: _____	Expiration Date: _____
05	CONDITIONS OF APPROVAL, IF ANY:	

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

Attachment Check List

Att Doc Num	Name	Doc Description
400097356	PLAT	Survey Plats Dunlap # 1 well.pdf
400097360	30 DAY NOTICE LETTER	Notification and 30 day notice Dunlap # 1 well.pdf
400097362	OTHER	Notification Drilling Operations Kiowa County Dunlap # 1 well.pdf
400097367	PROPOSED BMPs	BMP Plan Dunlap # 1 well.pdf

Total Attach: 4 Files