

For KCC Use: Effective Date: 9-7-05 District #: 1 SGA?  Yes  No

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

Form C-1 December 2002 Form must be Typed Form must be Signed All blanks must be Filled

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

Expected Spud Date 09 18 2005 month day year

OPERATOR: License# 8996 Name: Mid-Continent Resources, Inc. Address: P. O. Box 399 City/State/Zip: Garden City, KS 67846 Contact Person: Scott Corsair Phone: 785-398-2270

CONTRACTOR: License# 33323 Name: Petromark Drilling, LLC

Well Drilled For:  Oil  Enh Rec  Gas  Storage  OAWO  Disposal  Seismic; # of Holes  Other Well Class:  Infield  Pool Ext.  Wildcat  Other Type Equipment:  Mud Rotary  Air Rotary  Cable

If OWWO: old well information as follows: Operator: Well Name: Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal wellbore?  Yes  No If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

\*WELL LOC. EXCEPTION GRANTED

9-1-05 \*\* SPUD LOC. WAS: W/2NWSE IS: E/2NWSE 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 be set 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: July 30, 2005 Signature of Operator or Agent: Scott Corsair Title: Petroleum Engineer

Spot 10' W & 50' N of C W/2 E/2NW - SE Sec. 23 Twp. 19 S. R. 22 East West  feet from  N /  S Line of Section 1660 feet from  E /  W Line of Section Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side) County: Ness Lease Name: Gillig Well #: 3-23 Field Name: Schaben

\* Is this a Prorated / Spaced Field? SCHABEN  Yes  No Target Formation(s): Mississippian

Nearest Lease or unit boundary: 340' Ground Surface Elevation: 2260 est. feet MSL Water well within one-quarter mile:  Yes  No Public water supply well within one mile:  Yes  No Depth to bottom of fresh water: 280' (DAK-480) Depth to bottom of usable water: 720' Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 300 Length of Conductor Pipe required: NONE Projected Total Depth: 4450' Formation at Total Depth: Mississippian

Water Source for Drilling Operations:  Well  Farm Pond  Other DWR Permit #:

(Note: Apply for Permit with DWR) Will Cores be taken?  Yes  No If Yes, proposed zone:

For KCC Use ONLY API # 15 - 135-24400.000 Conductor pipe required NONE feet Minimum surface pipe required 300 feet per Alt. + (2) Approved by: RSP 9-2-05 / RSP 9-29-05 This authorization expires: 9-7-06 3-2-06 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

Remember to: - File Drill Pit Application (form CDP-1) with Intent to Drill; - File Completion Form ACO-1 within 120 days of spud date; - File acreage attribution plat according to field proration orders; - Notify appropriate district office 48 hours prior to workover or re-entry; - Submit plugging report (CP-4) after plugging is completed; - Obtain written approval before disposing or injecting salt water. - If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.  Well Not Drilled - Permit Expired Signature of Operator or Agent: Date:

23 19 220