

OWWO

For KCC Use: Effective Date: 10-23-05 District # 4 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 October 23, 2005 month day year

Spot CNW - SW - NW Sec. 32 Twp. 8 S. R. 17 East West 3630 feet from N / S Line of Section 4950 feet from E / W Line of Section Is SECTION Regular Irregular?

OPERATOR: License# 31171 Name: Continental Operating Company Address: One Houston Center, 1221 McKinney, Suite 3700 City/State/Zip: Houston, Texas 77010 Contact Person: Melton Smith Phone: (713) 209-1110

(Note: Locate well on the Section Plat on reverse side) County: Rooks Lease Name: Stamper Well #: H-1 Field Name: _____

CONTRACTOR: License# 32128 Name: Western Well Servicing

Is this a Prorated / Spaced Field? Yes No Target Formation(s): Arbuckle Nearest Lease or unit boundary: 330'

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

Ground Surface Elevation: 1952 feet MSL Water well within one-quarter mile: Yes No Public water supply well within one mile: Yes No

If OWWO: old well information as follows: Operator: Don Brown Company Well Name: Stamper #1 Original Completion Date: 7-17-78 Original Total Depth: 3,440'

Depth to bottom of fresh water: 180' ✓ Depth to bottom of usable water: 300' ✓ Surface Pipe by Alternate: 1 2 Length of Surface Pipe ~~Planned to be set~~: 173' ✓

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

Length of Conductor Pipe required: none Projected Total Depth: 3,440' Formation at Total Depth: Arbuckle Water Source for Drilling Operations: Well Farm Pond Other trucked

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

AFFIDAVIT

RECEIVED KANSAS CORPORATION COMMISSION OCT 18 2005 CONSERVATION DIVISION

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: October 18, 2005 Signature of Operator or Agent: Donna Shanda Title: Agent

For KCC Use ONLY API # 15 - 163-20829-00-01 Conductor pipe required NONE feet Minimum surface pipe required 173 feet per Alt. X(2) Approved by: DPW 10-18-05 This authorization expires: 4-18-06 (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: _____

Mall to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

32 8 17w.

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

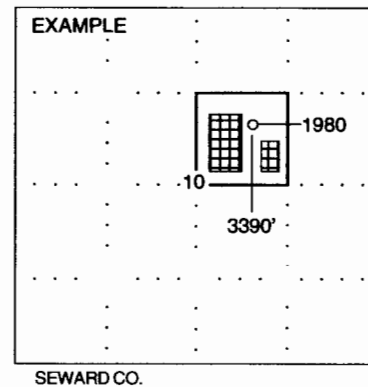
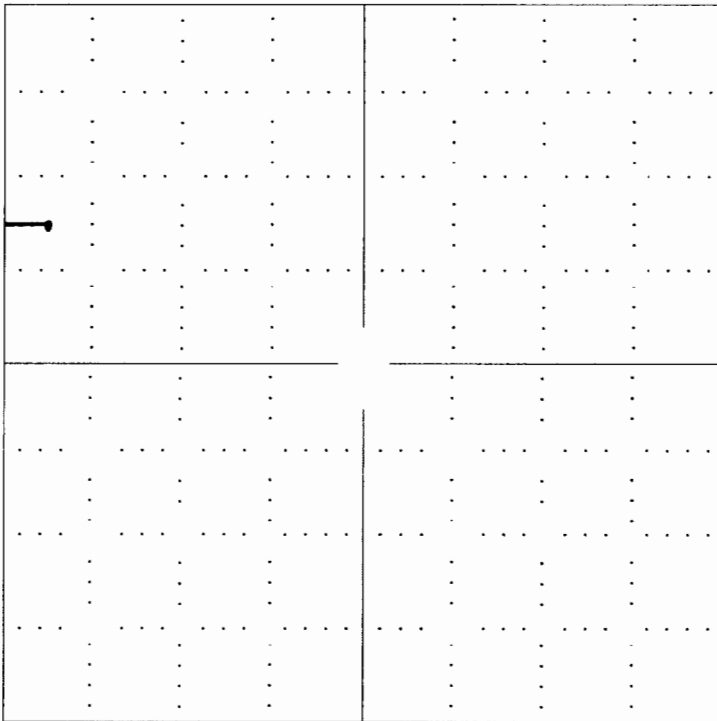
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - _____
 Operator: Continental Operating Company
 Lease: Stamper
 Well Number: H-1
 Field: _____
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: CNW - SW - NW

Location of Well: County: Rooks
3630 feet from N / S Line of Section
4950 feet from E / W Line of Section
 Sec. 32 Twp. 8 S. R. 17 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: (CO-7 for oil wells; CG-8 for gas wells).

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

October 18, 2005

Mr. Melton Smith
Continental Operating Company
One Houston Ctr
1221 McKinney Ste 3700
Houston, TX 77010

Re: Drilling Pit Application
Stamper Lease Well No. H-1
NW/4 Sec. 32-08S-17W
Rooks County, Kansas

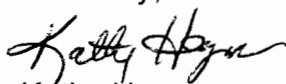
Dear Mr. Smith:

This office has been informed that steel pits are to be used at the above referenced location. **If a haul-off pit is necessary please file form CDP-1, Application for Surface Pit.** This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (620) 225-8888. 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.

Sincerely,



Kathy Haynes
Environmental Protection and Remediation Department

Cc: H Deines