

For KCC Use: Effective Date: 3-12-06
District # 4
SGA? Yes No

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

owwo

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 MARCH 1 2006
month day year

Spot N/2 SW - NW - SE Sec. 5 Twp. 8 S. R. 17 East West
1800 feet from N / S Line of Section
2310 feet from E / W Line of Section

OPERATOR: License# 31171 ✓
Name: CONTINENTAL OPERATING CO.
Address: 1 HOUSTON CENTER, 1221 MCKINNEY STE 3700
City/State/Zip: HOUSTON, TX 77010
Contact Person: MELTON SMITH
Phone: 713-209-1110

Is SECTION Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)
County: ROOKS

CONTRACTOR: License# 32128 ✓
Name: WESTERN WELL SERVICING

Lease Name: STAMPER Well #: 2
Field Name: ROOKS

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

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): ARBUCKLE
Nearest Lease or unit boundary: 1800'

If OWWO: old well information as follows:
Operator: GRAHAM-MICHAELIS CORP.
Well Name: STAMPER 2-5
Original Completion Date: 10/10/85 Original Total Depth: 3337'

Ground Surface Elevation: 1869' feet MSL
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

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

Depth to bottom of fresh water: 180' ✓
Depth to bottom of usable water: 800' ✓
Surface Pipe by Alternate: 1 2

Length of Surface Pipe ~~Planned to be set:~~ (1226') 1219' ✓
Length of Conductor Pipe required: NONE
Projected Total Depth: 3337'
Formation at Total Depth: ARBUCKLE ✓

Water Source for Drilling Operations:
 Well Farm Pond Other TRUCK
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 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: 2/14/06 Signature of Operator or Agent: [Signature] Title: PRODUCTION MANAGER

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MAR 02 2006
KCC WICHITA

For KCC Use ONLY
API # 15 - 163-22749-00-01
Conductor pipe required NONE feet
Minimum surface pipe required 1219 feet per Alt.
Approved by: DPW 3-7-06
This authorization expires: 9-7-06
(This authorization void if drilling not started within 6 months of approval 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: _____

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

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FEB 21 2006
KCC WICHITA

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 - 163-22749
 Operator: CONTINENTAL OPERATING CO.
 Lease: STAMPER
 Well Number: 2
 Field: LONE STAR
 Number of Acres attributable to well: 10
 QTR / QTR / QTR of acreage: SW - NW - SE

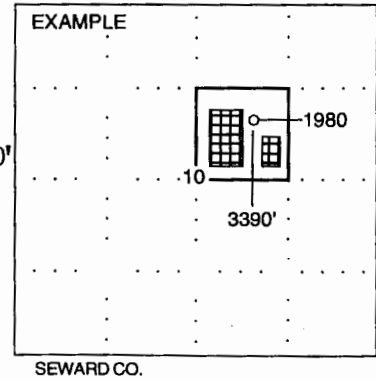
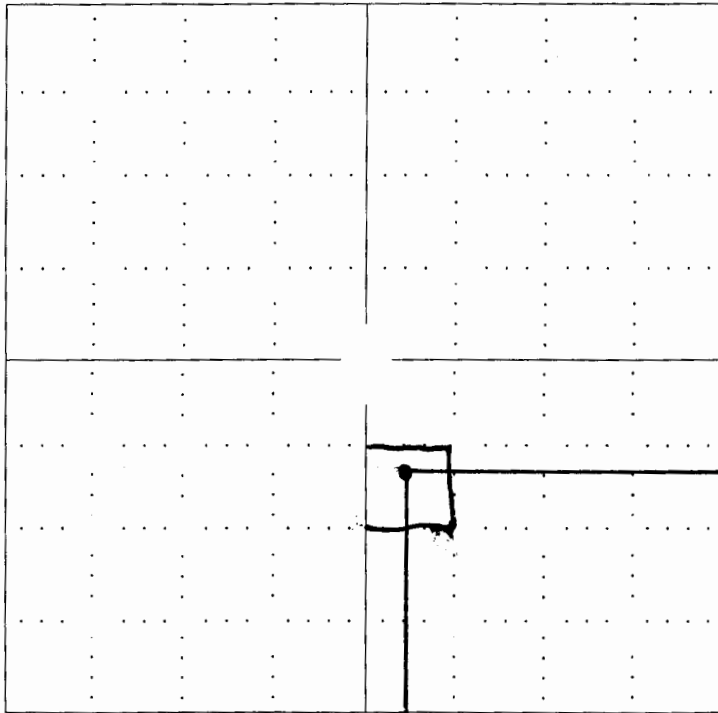
Location of Well: County: ROOKS
1800' feet from N / S Line of Section
2310' feet from E / W Line of Section
 Sec. 5 Twp. 8 S. R. 17 East West

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.
 1800'

SECTION 5 FROM SECTION LINES

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

March 2, 2006

Mr. Melton Smith
Continental Operating Co.
1 Houston Cntr,
1221 McKinney Ste 3700
Houston, TX 77010

RE: Drilling Pit Application
Stamper Lease Well No. 2
SE/4 Sec. 05-08S-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 (785) 625-0550. 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