

For KCC Use:  
 Effective Date: 12-18-05  
 District # 1  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date 03 12 2006  
 month day year

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

CONTRACTOR: License# 33323  
 Name: Petromark Drilling, LLC

<b>Well Drilled For:</b>	<b>Well Class:</b>	<b>Type Equipment:</b>
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Wildcat	
<input type="checkbox"/> Other	<input type="checkbox"/> Pool Ext.	
	<input type="checkbox"/> Other	

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 #: \_\_\_\_\_

~~X-REMOVED FROM SCHABEN B.R.O.~~  
PER OG-CONS-019-CB90.

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: December 12, 2005 Signature of Operator or Agent: Scott Corsair Title: Petroleum Engineer

Spot 110' S  East  
 NE NE - SE NE Sec. 23 Twp. 19 S. R. 22  West  
2200 feet from  N /  S Line of Section  
330 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: Gilling Well #: 5-23  
 Field Name: Schaben

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Mississippian

Nearest Lease or unit boundary: 330'

Ground Surface Elevation: 2240 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: (480') 180

Depth to bottom of usable water: 720' 750

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe required: None

Projected Total Depth: 4400'

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: \_\_\_\_\_

RECEIVED

DEC 12 2005

KCC WICHITA

For KCC Use ONLY

API # 15 - 135. 24436 00-00  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 200 feet per Alt.  (2)  
 Approved by: RSP 12.13.05  
 This authorization expires: 6-13-06  
 (This authorization void if drilling not started within 6 months of effective date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

Remember to:

- File Drill Pit Application (form GDP-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: 11-17-05

NOV 20 2006

KCC WICHITA

23 19 223

**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: Mid-Continent Resources, Inc.  
 Lease: Gillig  
 Well Number: 5-23  
 Field: Schaben

Number of Acres attributable to well: 10  
 QTR / QTR / QTR of acreage: NE - NE - SE

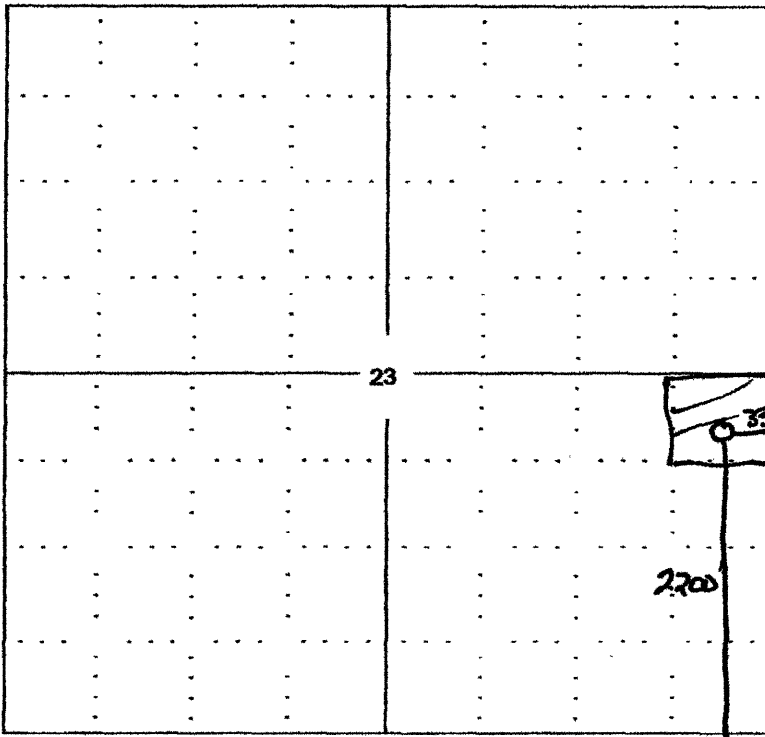
Location of Well: County: Ness  
2200 feet from  N /  S Line of Section  
330 feet from  E /  W Line of Section  
 Sec. 23 Twp. 19 S. R. 22  East  West

Is Section:  Regular or  Irregular

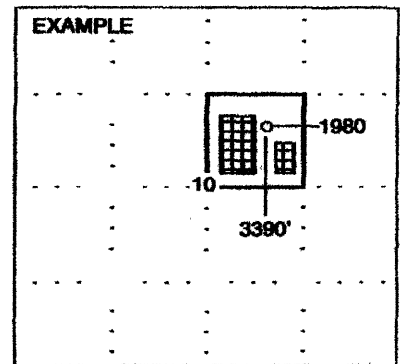
If Section is irregular, locate well from nearest corner boundary.  
 Section corner used:  NE  NW  SE  SW

**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.)*



Ness CO.



SEWARD CO.

**NOTE: In all cases locate the spot of the proposed drilling locator.**

**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;