

For KCC Use:
 Effective Date: 4-8-08
 District #: 4
 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 1-7-08
 month day year

OPERATOR: License# 31171
 Name: Continental Operating Co
 Address: 1 Houston Center 1221 McKinney St. 3700
 City/State/Zip: Houston Tx. 77010
 Contact Person: Gregory A. Mitschke
 Phone: 713-209-1110

CONTRACTOR: License# 33493
 Name: American Eagle Drilling, LLC

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

If QWVO: 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 #: _____

Spot SE NE SW Sec. 11 Twp. 10 S. R. 19
1530 feet from N / S Line of Section
2310 feet from E / W Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Rooks
 Lease Name: Husted B Well #: 2-R
 Field Name: Vohs
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Arbuckle
 Nearest Lease or unit boundary: 330'
 Ground Surface Elevation: 2102' 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: 120'
 Depth to bottom of usable water: 800'
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 200'
 Length of Conductor Pipe required: none
 Projected Total Depth: 3620'
 Formation at Total Depth: Arbuckle
 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: _____

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 a dry 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 this 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: 1/2/08 Signature of Operator or Agent: Gregory A. Mitschke Title: Senior Vice President
Continental Operating Co.

For KCC Use ONLY
 API # 15 - 163-23678-0000
 Conductor pipe required None feet
 Minimum surface pipe required 200 feet per foot. XO 2
 Approved by: 1-3-08
 This authorization expires: 1-3-09
 (This authorization void if drilling not started within 12 months of approval 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: _____

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

RECEIVED
 KANSAS CORPORATION COMMISSION
 JAN 03 2008

CONSERVATION DIVISION
 WICHITA, KS

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

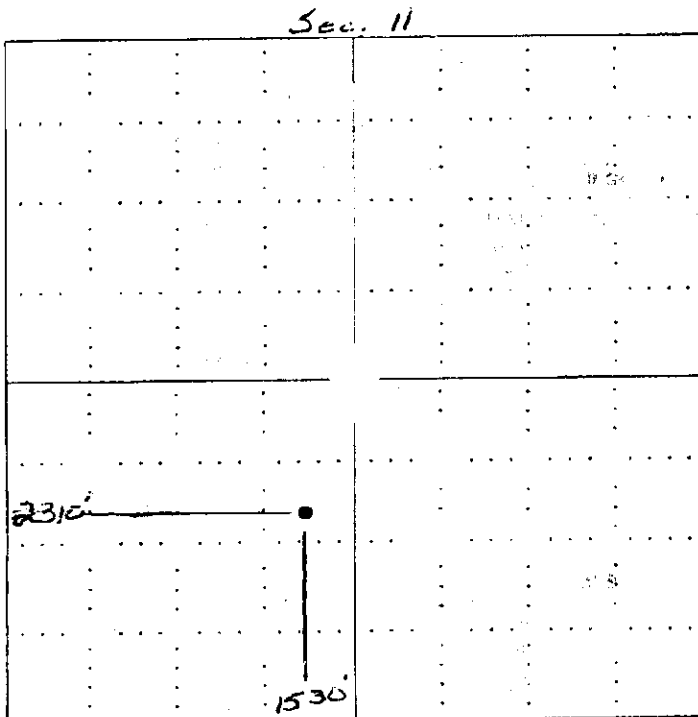
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 103-23678-0000
Operator: Continental Operating Co
Lease: Husted B
Well Number: 2-R
Field: Vohs
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: SE - NE - SW

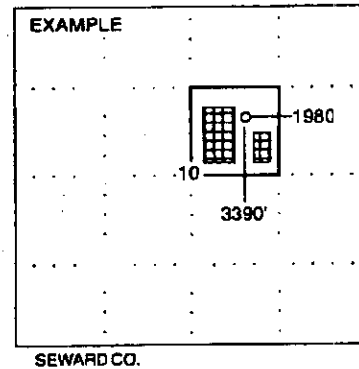
Location of Well: County: Rooks
1530 feet from N / S Line of Section
2310 feet from E / W Line of Section
Sec. 11 Twp. 10 S. R. 19 East West
Is Section: Regular or Irregular
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

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.)*



RECEIVED
KANSAS CORPORATION COMMISSION
JAN 03 2008
CONSERVATION DIVISION
WICHITA, KS



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).

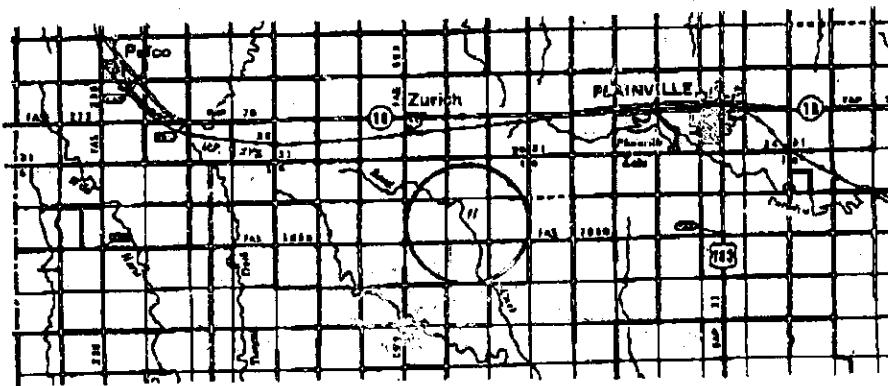
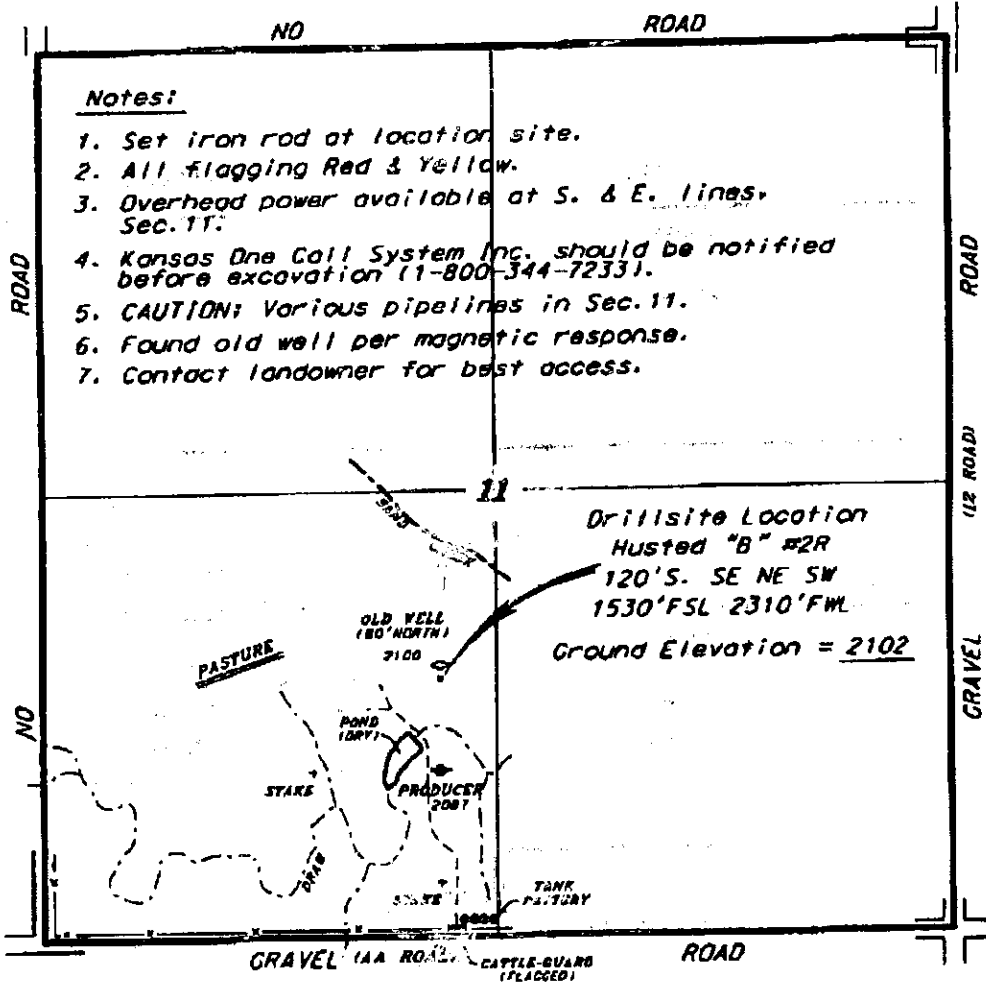
CONTINENTAL OPERATING COMPANY
HUSTED LEASE
SW. 1/4, SECTION 11, T10S, R19W
ROOKS COUNTY, KANSAS

15-163-23678-0000

Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available at S. & E. lines, Sec. 11.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 11.
6. Found old well per magnetic response.
7. Contact landowner for best access.

Ingress and egress to location as shown on this plot is for usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



Controlling data is based upon the best available photographs available to us and our own field inspection of land containing the area.
 Approximate section lines were determined using the aerial response of some of our field surveyors practicing in the state of Kansas. The location of the section lines is not necessarily accurate, and the center location of the drillsite location in the section is not guaranteed. Therefore, the operator accepting this service and accepting this plot and all other data relating thereto shall be held liable for any and all errors, omissions, and damages resulting from the use of this data. Costs are approximate and field conditions may vary. Liability for the accuracy of this data is not assumed.
 Elevations derived from National Geodetic Vertical Datum.

December 20, 2007

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)798-1977

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 03 2008

CONSERVATION DIVISION
PAGE 05

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Continental Operating Co.		License Number: 31171
Operator Address: 1 Houston Center 1221 McKinney Ste. 3700		
Contact Person: Gregory Mitschke		Phone Number: (713) 209 1110
Lease Name & Well No.: Husted B #2-R		Pit Location (QQQQ): SE NE SW
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WOP, Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	Sec 11 Twp. 10 R. 19 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1530 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2310 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Rocks _____ County _____
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Natural gumbo seal
Pit dimensions (all but working pits): 30' Length (feet) 10' Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 6' (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Daily inspection while drilling periodic inspection after drilling operations
Distance to nearest water well within one-mile of pit 4185' feet Depth of water well 52' feet		Depth to shallowest fresh water 37' feet. Source of information: _____ measured _____ well owner _____ electric log _____ KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Drilling mud & water Number of working pits to be utilized: 2 Abandonment procedure: remove water and free fluids, let dry and backfill Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief. 1/2/08 Date		Gregory A. Mitschke Senior Vice President Continental Operating Co. Signature of Applicant or Agent

15-163-23678-000

KCC OFFICE USE ONLY			
Date Received: 1/3/08	Permit Number: _____	Permit Date: 1/3/08	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

JAN 03 2008

CONSERVATION DIVISION
WICHITA, KS