

Owned

For KCC Use: 3-18-08
Effective Date: 3-18-08
District # 4
SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007
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: 3-16-08
month day year

Spot Description:
SW - NW - SW Sec. 5 Twp. 8 S. R. 17 E W
(0000) 1,650 feet from N / S Line of Section
4,950 feet from E / W Line of Section

OPERATOR: License# 31171
Name: Continental Operating Co.
Address 1: 1 Houston Center 1221 McKinney Ste. 3700
Address 2:
City: Houston State: Tx Zip: 77010
Contact Person: Gregory A Mitschke
Phone: 713-209-1110
CONTRACTOR: License# 33493
Name: American Eagle Drilling, LLC

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

County: Roos
Lease Name: Forest Well #: 3
Field Name: Lone Star
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle

Well Drilled For: Oil Gas Seismic Other:
Well Class: Infield Pool Ext. Wildcat Other:
Type Equipment: Mud Rotary Air Rotary Cable

Nearest Lease or unit boundary line (in footage): 330'
Ground Surface Elevation: 1904' KB 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: Okmar Oil Co.
Well Name: Forest #3
Original Completion Date: 7-13-1958 Original Total Depth: 3376'

Depth to bottom of fresh water: 188' SD
Depth to bottom of usable water: 308' 700
Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 100'

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

Length of Conductor Pipe (if any): none
Projected Total Depth: 3376'
Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:
 Well Farm Pond Other: trucked
DWR Permit #: (Note: Apply for Permit with DWR) Yes No

Will Cores be taken? Yes No
If Yes, proposed zone:

AFFIDAVIT

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MAR 12 2008

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 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 cemented 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 #133,893-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 cementing.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.
Date: 3/11/08 Signature of Operator or Agent: Gregory A Mitschke Title: Senior Vice President Continental Operating Co.

For KCC Use ONLY
API # 15 - 163-01810-00-01
Conductor pipe required None feet
Minimum surface pipe required 100 feet per A.T. I II
Approved by: 3-13-08
This authorization expires: 3-13-09
(This authorization void if drilling not started within 12 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 (within 60 days);
- 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 Date: _____
Signature of Operator or Agent: _____

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

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 - 163-01810-00-01
Operator: Continental Operating Co.
Lease: Forrest
Well Number: 3
Field: Lone Star

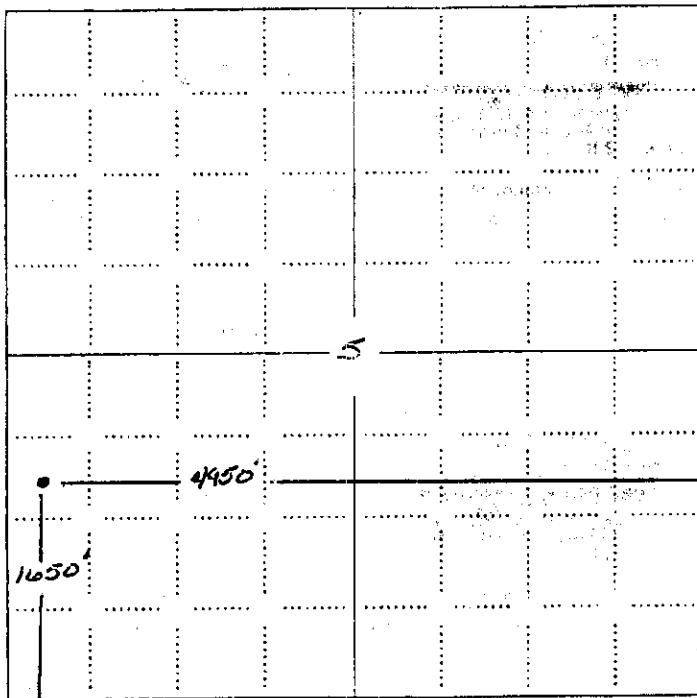
Location of Well: County: Rooks
1,650 feet from N / S Line of Section
4,950 feet from E / W Line of Section
Sec. 5 Twp. 8 S. R. 17 E W

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ SW - NW - SE - SW

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

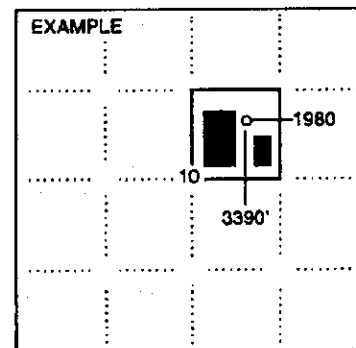
PLAT

*(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.

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MAR 12 2008
CONSERVATION DIVISION
WICHITA, KS




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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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
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		Houston Tx. 77010
Contact Person: Gregory A Mitschke		Phone Number: 713 - 209 - 1110
Lease Name & Well No.: Forrest 3		Pit Location (QQQQ): SW NW 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 WP Supply API No or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <i>Submit in Duplicate</i> _____ (bbls)	Sec. 5 Twp. 8 R. 17 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 6,650 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 4,950 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Rocks _____ County _____
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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 type="checkbox"/> Yes <input checked="" 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?
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) Depth from ground level to deepest point: _____ (feet)		<input checked="" type="checkbox"/> N/A: Steel Pits <input type="checkbox"/> No Pit
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.
Distance to nearest water well within one-mile of pit N/A feet Depth of water well _____ feet	Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	RECEIVED KANSAS CORPORATION COMMISSION MAR 12 2008 CONSERVATION DIVISION WICHITA, KS
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: water Number of working pits to be utilized: _____ Abandonment procedure: _____ 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. <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> <u>3/11/08</u> Date </div> <div style="text-align: center;">  Signature of Applicant or Agent </div> <div style="text-align: right;"> MAR 12 2008 CONSERVATION DIVISION WICHITA, KS </div> </div>		

15-163-0810-00-01

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>
Date Received: 3/12/08	Permit Number: _____	Permit Date: 3/12/08 Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No

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



*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

March 12, 2008

Mr. Geogory A. Mitschke
Continental Operating Co.
1 Houston Center
1221 McKinney Ste 3700
Houston, TX 77010

RE: Drilling Pit Application
Forrest Lease Well No. 3
SW/4 Sec. 05-08S-17W
Rooks County, Kansas

Dear Mr. Mitschke:

According to the drilling pit application referenced above, no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit. This location will have to be inspected prior to approval of the haul-off pit application. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (785) 625-0550.



*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

**HAUL-OFF PIT APPLICATION
FILING REQUIREMENTS**

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: Yes No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: Yes No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.

15-163-01810-00-00

Form CP-3
Rev. 6-26-62

KANSAS

STATE CORPORATION COMMISSION
CONSERVATION DIVISION AGENT'S REPORT

J. P. Roberts
Administrator
500 Insurance Building
Wichita 2, Kansas

15-163-01810-00-00

RECEIVED
FEB 27 1967
2-27-67
CONSERVATION DIVISION
Wichita, Kansas

Operator's Full Name Okmar Oil Company

Complete Address: 1130 Wichita Plaza Wichita, Kansas

Lease Name Forrest Well No. 3

Location: NE SW SW SW-NW-SW Sec. 5 Twp. 8 Rge. 17 (E) (W) X

County Rooks Total Depth 3376'

Abandoned Oil Well X Gas Well Input Well SWD Well D & A

Other well as hereafter indicated:

Plugging Contractor: Southwest Casing Pulling Co.

Address: Great Bend, Kansas License No. 399

Operation Completed: Hour 1:30 P Day 17 Month 2 Year 1967

The Above well was plugged as follows:

Total Depth 3376' 8 5/8 csg set at 101' cwc 100 sc.

5 1/2 csg set at 3355' cw 100 sc cement.

Filled with sand to 3325' and dumped 5 sc cement with dump bailer.

Recovered 600' of 5 1/2 csg.

Squeezed 8 5/8 csg with 25 sc gel mud and 80 sc cement. Shutin pres. 100 lbs.

I hereby certify that the above well was plugged as herein stated.

INVOICED

Signed: Robert Messing
Well Plugging Supervisor

DATE 2/27/67

INV. NO. 4832-W