

OWWO

For KCC Use:
Effective Date: 9-2-08
District #:
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: 8-25-08
month day year

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: Greg Mitchko
Phone: 713-209-1110

CONTRACTOR: License# 32128
Name: Western Well Servicing dba

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

If OWWO: old well information as follows:
Operator: Peel - Hardman Oil Prod
Well Name: Russ #3
Original Completion Date: 1-6-1954 Original Total Depth: 3359'

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

Spot Description:
W2 NE NE Sec. 31 Twp. 8 S. R. 17 E W
4.620 feet from N S Line of Section
990 feet from E W Line of Section

Is SECTION: Regular Irregular?
County: Rooks
Lease Name: Russ Well #: 3
Field Name: Dopita

Is this a Prorated / Spaced Field? Yes No
Nearest Lease or unit boundary line (in footage): 990
Ground Surface Elevation: 1935' 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: 180' 150'
Depth to bottom of usable water: 800'
Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 190'
Length of Conductor Pipe (if any): none
Projected Total Depth: 3359'
Formation at Total Depth: Arbuckle

Water Source for Drilling Operations: Well Farm Pond Other: Truck
DWR Permit #:
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 correct to the best of my knowledge and belief.
Date: 8/25/08 Signature of Operator or Agent: Gregory A. Mitschke Title: Senior Vice President Continental Operating Co.

For KCC Use ONLY
API # 15 - 163-01374-00-01
Conductor pipe required None feet
Minimum surface pipe required 190 feet per ALT I II
Approved by: [Signature] 8-28-08
This authorization expires: 8-28-09
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
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KANSAS CORPORATION COMMISSION
AUG 28 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 - 163-01374-00-01
 Operator: Continental Operating Co.
 Lease: Russ
 Well Number: 3
 Field: Dopita

Location of Well: County: Rooks
4,620 feet from N / S Line of Section
990 feet from E / W Line of Section
 Sec. 31 Twp. B S. R. 17 E W

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____ - W2 - NE - NE

Is Section: Regular or Irregular

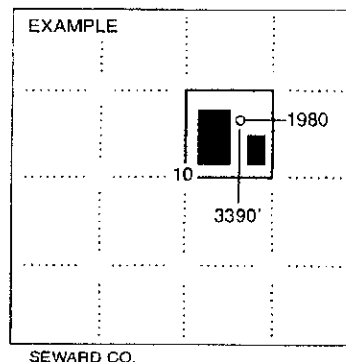
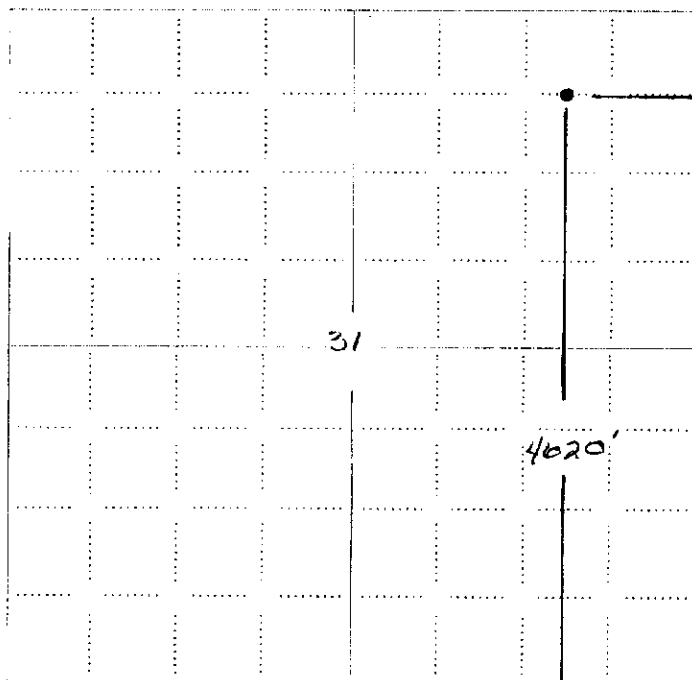
If Section is Irregular, locate well from nearest corner boundary.

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 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).

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 KANSAS CORPORATION COMMISSION


AUG 28 2008

CONSERVATION DIVISION
 WICHITA, KS

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

Form GDP-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: Greg Mitchke		Phone Number: 713 - 209 - 1110
Lease Name & Well No.: Russ 3		Pit Location (QQQQ): W2 NE NE
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WOP Supply API No. or Year Drilled)</small>	Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbbls)	Sec. 31 Twp. 8 R. 17 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 4,620 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 990 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Rooks 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input 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) <input checked="" type="checkbox"/> N/A: Steel Pits		Depth from ground level to deepest point: _____ (feet) <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 _____ none _____ 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
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: fresh water Number of working pits to be utilized: 1 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.		
8/25/08 Date	 Signature of Applicant or Agent	Gregory A. Mitschke Senior Vice President Continental Operating Co.
KCC OFFICE USE ONLY		
Date Received: 8/28/08	Permit Number: _____	Permit Date: 8/28/08 Lease Inspection: <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No

15-163-01374-00-01

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

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KANSAS CORPORATION COMMISSION

AUG 28 2008

CONSERVATION DIVISION
WICHITA, KS

15-163-01374-00-00

STATE OF KANSAS
STATE CORPORATION COMMISSION
200 Colorado Derby Building
Wichita, Kansas 67202

WELL PLUGGING RECORD
K.A.R.-82-3-117

API NUMBER N.A.

LEASE NAME Russ

WELL NUMBER #3

SPOT LOCATION C-W¹-NE-NE

SEC. 31 TWP. 8 RGE. 17 (W)

COUNTY Rooks

Date Well Completed 1-8-54

Plugging Commenced 6-8-84

Plugging Completed 6-8-84

TYPE OR PRINT
NOTICE: Fill out completely
and return to Cons. Div.
office within 30 days.

LEASE OPERATOR The Gene Brown Company

ADDRESS 407 S. Main - Plainville, Kansas 67663

PHONE # (913) 434 4811 OPERATORS LICENSE NO. 5635

Character of Well oil
(Oil, Gas, D&A, SWD, Input, Water Supply Well)

Did you notify the KCC/KDHE Joint District Office prior to plugging this well? Yes

Which KCC/KDHE Joint Office did you notify? Hays - Dennis Hamel

Is ACO-1 filed? Yes If not, is well log attached? Yes

Producing formation Topeka-Toronto-LKC Depth to top 3012 bottom 3305 T.D. Original 3361
P.B.+D. 3305

Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

Formation	Content	From	To	Size	Put in	Pulled out
				8 5/8	190	None
				5 1/2	3356	None

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used state, the character of same and depth placed, from feet to feet each set. Pumped 300 sacks 50/50 pos A Mix and 5 sacks hulls down 5 1/2" casing at 450 p.s.i. Shut in - pressure was 200 p.s.i. Pumped 100 sacks 50/50 poz cement and 3 sacks hulls down 8 5/8 at 450 P.S.I. Shut in pressure was 200 p.s.i. Cement to surface on 5 1/2 and 8 5/8.

(If additional description is necessary, use BACK of this form.)

Name of Plugging Contractor Halliburton License No. na
Address Hays, Kansas

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STATE CORPORATION COMMISSION

STATE OF Kansas COUNTY OF Rooks, ss.

Thomas E. Brown (operator) of above-described well, being first duly sworn on oath, says: I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed that the same are true and correct, so help me God.

(Signature) Thomas E. Brown

(Address) 407 S. Main

Plainville, Kansas 67663

NOTARY PUBLIC STATE OF KANSAS
KATHY A. WISE
My Appt. Exp. 6-27-86

before me this 21 day of June, 1984
Kathy A. Wise
Notary Public

My Commission expires: _____

Form CP-4 /-84
Revised 06-83



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

August 28, 2008

Continental Operating Co.
1 Houston Center
1221 McKinney Ste 3700
Houston, TX 77010

RE: Drilling Pit Application
Russ Lease Well No. 3
NE/4 Sec. 31-08S-17W
Rooks County, Kansas

Dear Sir or Madam:

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. The Haul-Off Pit Application Filing Requirement checklist must also be completed. 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 (620) 432-2300.

**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 landowner 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 landowner 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.