

XOWWOX

For KCC Use: 10-26-08
Effective Date: 10-26-08
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: 10 - 20 - 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: Gregory Mitschke
Phone: 713-209-1110
CONTRACTOR: License# 32128
Name: Western Well Service

Spot Description:
C N2 - N2 - NW Sec. 5 Twp. 8 S. R. 17 E W
(a-a-a-a) 2,970 feet from N / S Line of Section
3,960 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: Frank Well #: 2
Field Name: Lone Star

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle

Nearest Lease or unit boundary line (in footage): 330'
Ground Surface Elevation: 1831' 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'

Depth to bottom of usable water: 750'

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 100' 200'

Length of Conductor Pipe (if any): none

Projected Total Depth: 3300'

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: _____

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

If OWWO: old well information as follows:

Operator: V D Sides Oil Co.
Well Name: Frank #2
Original Completion Date: 9-21-1958 Original Total Depth: 3293

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

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: 10/16/08 Signature of Operator or Agent: [Signature] Title: Gregory A. Mitschke Senior Vice President Continental Operating Co.

For KCC Use ONLY
API # 15: 103-01811-00-01
Conductor pipe required: none feet
Minimum surface pipe required: 200 feet per ALT. I II
Approved by: 114 10-21-08
This authorization expires: 10-21-09
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: _____ Agent: _____

Remember to:

- File Drill P-1 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 2076, Wichita, Kansas 67202

RECEIVED

OCT 20 2008

CONSERVATION DIVISION
WICHITA, KS

5
8
17
 E
 W

Side Two

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- 103-01811-00-01
Operator: Continental Operating Co.
Lease: Frank
Well Number: 2
Field: Lone Star

Location of Well: County: Rooks
2,970 feet from N / S Line of Section
3,960 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: C - N2 - N2 - NW

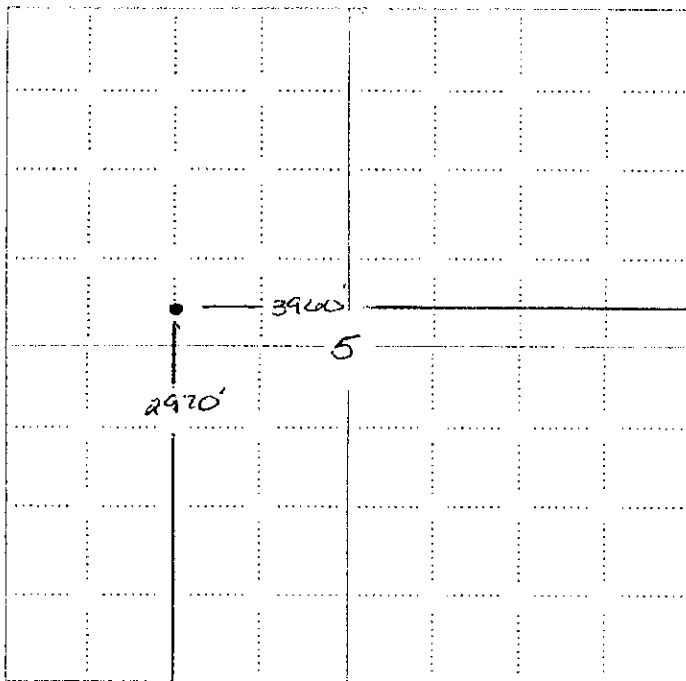
Is Section: Regular or Irregular

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

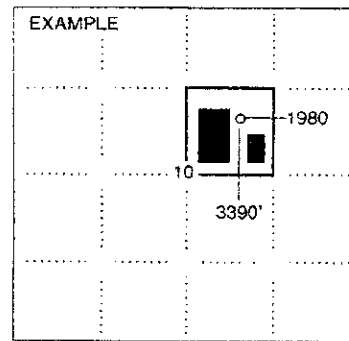
Section corner used: NE NW SE SW

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.)*



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OCT 20 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 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 Mitschke | | Phone Number: 713 - 209 - 1110 | |
| Lease Name & Well No.: Frank 2 | | Pit Location (QQQQ): C N2 N2 NW Sec. 5 Twp. 8 R. 17 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2,970 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 3,960 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Rocks _____ County _____ | |
| 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 checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WOP Supply API No or Year Drilled)</i> | Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: steel pit Pit capacity: 110 (bbls) | | |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i> | |
| 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) <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 _____ 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: 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. <u>10/16/08</u> Date | | Signature of Applicant or Agent Gregory A. Mitschke Senior Vice President Continental Operating Co. | |
| KCC OFFICE USE ONLY | | Steel Pit <input checked="" type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/> | |
| Date Received: <u>10/20/08</u> Permit Number: _____ | | Permit Date: <u>10/20/08</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |

Mail to: KCC - Conservation Division, 130 S. Market - Room 2075 - WICHITA, KS 67202

OCT 20 2008

CONSERVATION DIVISION
WICHITA, KS

15-163-01811-00-01



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

October 20, 2008

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

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

**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.

11-1 4-032103 15-163-01811-00-00

TO: STATE CORPORATION COMMISSION
CONSERVATION DIVISION - PLUGGING
130 SOUTH MARKET, SUITE 2078
WICHITA, KANSAS 67202

API Number: 15- - 1956

S2 S2 NW /4 SEC. 05 , 08 , 17 W
2970 feet from S section line
3960 feet from E section line

Operator license# 5363 Lease: Frank Well # 2
Operator: Berexco, Inc. County: Rocks 106.63
Address: P.O. Box 723 Well total depth 3281 feet
Hays, Kansas 67601 Conductor Pipe: 0 inch @ 0 feet
Surface pipe 8 5/8 Inch @ 100 feet

Aband. oil well X, Gas well, Input well, SWD, D & A

Plugging contractor: Allied Cement Company License# -

Address: Russell, Kansas 67665

Company to plug at: Hour: P.M. Day: 1 Month: November Year: 1995

Plugging proposal received from: Curtis Gabel

Company: Berexco, Inc. Phone: 913-628-6101

Were: Order 300 sxs 60/40 pozmix - 10% gel - 500# hulls.
Allied Cement Company.
Order work string of tubing.

Plugging Proposal Received by: Carl Goodrow
Plugging operations attended by agent? All[], Part[X], None[]

Completed: Hour: 6:00 P.M., Day: 1, Month: November, Year: 1995

Actual plugging report: 8 5/8" set at 100' cwc with N/A sxs. 5 1/2" set at 3278' with N/A sxs. Squeezed at 770' with 150 sxs - 905' with 150 sxs - 2470' with 150 sxs. Ran tubing to 3100'. Displaced 100 sxs cement blend with 300# hulls. Pulled tubing to 1600'. Displaced to surface with 100 sxs cement blend with 150# hulls mixed in. Pulled tubing. Tied onto 5 1/2" casing. Squeezed with 50 sxs cement blend for total of 250 sxs. to Max. P.S.I. 500#. Close in P.S.I. 200#. Squeezed 8 5/8" with 50 sxs cement blend to Max. P.S.I. 300#. Close in P.S.I. 100#. Plug complete.

Remarks: NOV 17 1995 11-17-95
Condition of casing(in hole): GOOD BAD Anhy.plug: YES NO
Bottom plug(in place): YES, CALC, NO Dakota plug: YES NO
Plugged through TUBING, CASING. Elevation: MOBILE KS GL

If checked, I did not observe the plugging.

INVOICED

Carl Goodrow
(agent)

DATE 11-20-95
INV. NO. 44059