

For KCC Use: 4-13-2011
Effective Date: _____
District # 4
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
March 2010
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
Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: 4 7 2011
month day year

Spot Description: _____
SE - SE - SW Sec. 18 Twp. 9 S. R. 19 E W
(0000) 330 feet from N / S Line of Section
2,970 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: Greg Mitschke
Phone: 713-209-1110

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

CONTRACTOR: License# 32128 ✓
Name: Western Well Service

County: Rooks
Lease Name: Marcotte Well #: 1
Field Name: Marc

Well Drilled For: Oil Gas
Enh Rec Storage Disposal
Seismic: _____ # of Holes
Other: _____

Well Class: Infield Pool Ext. Wildcat Other

Type Equipment: Mud Rotary Air Rotary Cable

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

Nearest Lease or unit boundary line (in footage): 330'
Ground Surface Elevation: 2081 KB 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: 100'
Depth to bottom of usable water: 800'

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 158'

Length of Conductor Pipe (if any): none
Projected Total Depth: 3568'

Formation at Total Depth: Arbuckle
Water Source for Drilling Operations: Well Farm Pond Other:

If OWWO: old well information as follows:
Operator: Imperial Oil Co.
Well Name: Marcotte #1
Original Completion Date: 12-11-69 Original Total Depth: 3568'

DWR Permit #: _____
(Note: Apply for Permit with DWR)

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

Well 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 to the best of my knowledge and belief.

Date: 4-4-11 Signature of Operator or Agent: Ralph W. Bungardt Title: Prod. Supt.

For KCC Use ONLY
API # 15 - 103-00150-00-01
Conductor pipe required None feet
Minimum surface pipe required 158 feet per ALT. I II
Approved by: [Signature] 4-8-2011
This authorization expires: 4-8-2012
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: _____ Agent: _____

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- 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 well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired
Signature of Operator or Agent: _____

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

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APR 06 2011

KCC WICHITA

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19
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 W

For KCC Use ONLY

API # 15 - 163-00150-00-01

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: Continental Operating Co.
Lease: Marcotte
Well Number: 1
Field: Marc

Location of Well: County: Rooks
330 feet from N / S Line of Section
2,970 feet from E / W Line of Section
Sec. 18 Twp. 9 S. R. 19 E W

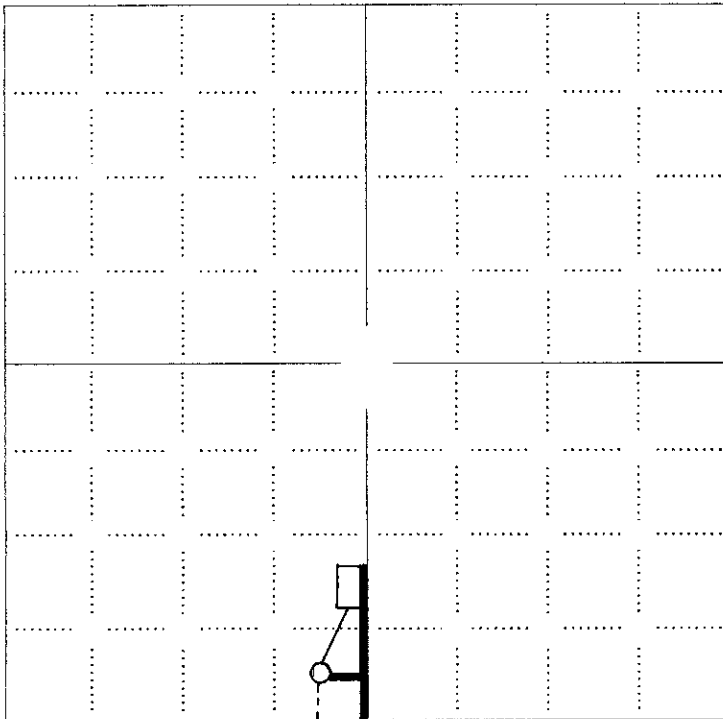
Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ - SE - SE - SW

Is Section: Regular or Irregular

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

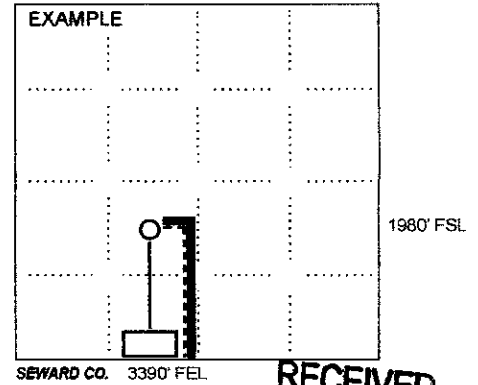
PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).
You may attach a separate plat if desired.



LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- - - - Electric Line Location
- Lease Road Location



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).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

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15-163-00150-00-01
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

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: Ralph Brungardt
Phone: (785) 735 - 4645 Fax: (_____) _____
Email Address: _____

Well Location:
SE SE SW Sec. 18 Twp. 9 S. R. 19 East West
County: Rooks
Lease Name: Marcotte Well #: 1

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: Kanland LLC
Address 1: 1508 E 800 Rd
Address 2: _____
City: Lawrence State: Ks Zip: 66049 + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.

I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 4-4-11 Signature of Operator or Agent: Ralph W. Brungardt Title: Prod Supt.

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

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KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

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 Mitschke		Phone Number: 713 - 209 - 1110	
Lease Name & Well No.: Marcotte 1		Pit Location (QQQQ): SE SE 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 checked="" 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: 4-6-2011 Pit capacity: 160 (bbls)	Sec. 18 Twp. 9 R. 19 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 330 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2,970 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input checked="" 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) 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. plastic liner		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Daily inspection	
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	
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: Remove all free fluids, Let dry, and back fill 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. 4-4-11 Date		RECEIVED APR 06 2011 KCC WICHITA	
Signature: <i>Ralph W. Brungardt</i> Signature of Applicant or Agent			

15-163-00150-00-01

KCC OFFICE USE ONLY			
Date Received: 4-6-11	Permit Number: _____	Permit Date: 4-8-11	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<input type="checkbox"/> Liner <input checked="" type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS	

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

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



phone: 316-337-6200
fax: 316-337-6211
<http://kcc.ks.gov/>

Thomas E. Wright, Chairman
Ward Loyd, Commissioner

Corporation Commission

Sam Brownback, Governor

April 8, 2011

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

RE: Drilling Pit Application
Marcotte Lease Well No 1
SW/4 Sec. 18-09S-19W
Rooks County, Kansas

According to the drilling pit application referenced above, no earthen pits will be used at this location. Steel pits will 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 2008), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (May 2010), 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.

Kansas Corporation Commission Oil & Gas Conservation Division

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

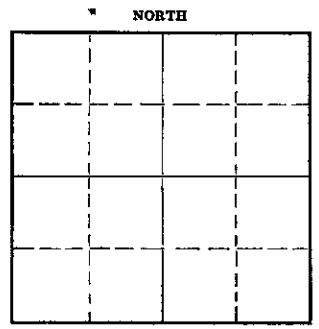
Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:
 Yes No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

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.

15-163-00150-0000

STATE OF KANSAS
STATE CORPORATION COMMISSION
Give All Information Completely
Make Required Affidavit
*M.I. or Deliver Report to:
Conservation Division
State Corporation Commission
500 Biting Building
Wichita, Kansas

WELL PLUGGING RECORD



Locate well correctly on above Section Flat

ROOKS County, Sec 18 Twp 9 Rgs 19 (E) W (W)
 Location as "NE/CNW/WSW" or footage from lines SE/4 SE/4 SW/4
 Lease Owner Aylward Drilling Company, Wichita, Kansas
 Lease Name Aylward Drilling Co-Marcotte Well No. 1
 Office Address 813 First National Bank Bldg-Wichita, Kansas.
 Character of Well (completed as Oil, Gas or Dry Hole) producing oil
 Date well completed September 23, 1948 19____
 Application for plugging filed November 10, 1950 19____
 Application for plugging approved November 11, 1950 19____
 Plugging commenced December 15, 1950 19____
 Plugging completed December 22, 1950 19____
 Reason for abandonment of well or producing formation Exhaustation of oil

If a producing well is abandoned, date of last production 19____
 Was permission obtained from the Conservation Division or its agents before plugging was commenced? yes.

Name of Conservation Agent who supervised plugging of this well Eldon Petty
 Producing formation Arbuckle Lims Depth to top _____ Bottom _____ Total Depth of Well 3595 Feet
 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"	158'	None
				5-1/2"	354 1/2'	198 1/2-8"

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 3595 feet to SURFACE feet for each plug set.
Hole filled with sand from 3535 to 3360; dumped four sacks of cement with dump bailer, forming cement plug from 3360 to 3328; hole filled with mud from 3328 to 160 feet; rock bridge installed from 160 feet to 150 feet; fifteen sacks of cement poured in hole forming cement bridge from 150 feet to 105 feet; hole filled with mud from 105 feet to 35 feet; rock bridge installed from 35 feet to 30 feet; hole capped with ten sacks of cement, plugging complete.

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 STATE CORPORATION COMMISSION
 12/24/50
 DEC 24 1950
 CONSERVATION DIVISION
 WICHITA, KANSAS

(If additional description is necessary, use BACK of this sheet)
 Correspondence regarding this well should be addressed to Aylward Drilling Company
 Address 813 First Natl. Bank Bldg., Wichita, 2, Kansas.

STATE OF KANSAS, COUNTY OF SEDOGWICK, ss.
Al Skalsky (employee of owner) or (owner or operator) of the above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed and that the same are true and correct. So help me God.

(Signature) [Signature]
813 First Natl. Bank Bldg.,
Wichita, 2, Kansas.

SUBSCRIBED AND SWORN to before me this 28th day of December 1950.

[Signature]
 Notary Public.

My commission expires July 16, 1952.

33-7877-1 4-49-10M
PLUGGING
 FILE SEC 18 T 9 R 19
 BOOK PAGE 41 LINE 35