NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
ON GAS CONSERVATION DIVISION

Must be approved by KCC five (5) days prior to commencing well

Date: 3-12-06

Expected Spud Date: MARCH 1, 2006

OPERATOR License No. 31173

Name: CONTINENTAL OPERATING CO.

Address: 1400 NORTHWEST 24TH ST

City/State/Zip: HASTINGS, NE 68901

Contact Person: WES GOREN

Phone: 402-297-1360

CONTRACTOR License No. 32278

Name: WESTERN WELL SERVICING

Well Number: 5306; 5307

Well Name: JOE STAR

Original Completion Date: 10/10/51

Original Total Depth: 3317' VS

Directional Drilled or Horizontal (check one): No

If Yes, true vertical depth: 3317'

If Yes, vertical Horizon: 3317'

Wells in: 5306, 5307

The undersigned hereby attests that the drilling, completion and eventual plugging of this well will comply with K.S.A. 50-16, et seq.

I agree that the following minimum requirements will be met:

1. Notify the appropriate district office prior to spudding of well.
2. A copy of a permit of 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 in positioning down to the top of all casing, surface and production casing.
4. If the well is spudded, an agreement between the operator and the district office on pipe length and placement is necessary prior to drilling.
5. The appropriate district office will be notified before well is either plugged or produced casing is connected in.
6. If an ALTERATE COMPLETION, production pipe shall be connected below any usable water surface within 120 days of spudding.

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

Date: 2/16/06

Signature of Operator or Agent:

FOR KCC USE ONLY

API # 15: 163-00294-00-01

Conductor pipe required: Yes (5306)

Minimum surface pipe required: 11" (5306)

This authorization void if drilling not started within 6 months of approval date.

Spud date: 3-7-06

Agent: JIM HASKELL

KCC WICHITA

OFFICE OF THE PRODUCTION MANAGER

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

For KCC Drill Application (Form EDP-1) with witness to Dril.

- File Completion Form ACO-1 within 120 days of spudd.
- File acreage application (if applicable) within 90 days of spudd.
- Notify appropriate district office 48 hours prior to wellware delivery.
- Submit plug report (CP-2) after spudding is completed.

- Obtain written approval before disposing or reusing 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:
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 area of the form. If the intended well is in a prorated or spaced field, compare the plat below showing that the well will be properly located in relation to the other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed proration or spaced unit for gas wells and within 1.5 miles of the boundaries of the proposed acreage unit for oil wells.

API No. 15 163-00294
Operator: CONTINENTAL OPERATING CO.
Lease: ROBERT
Well Number: 1
Field: LONE STAR

Number of Acres attributable to well: 10
QTR / QTR / QTR of acreage: NW - NW - SE

Location of Well: County: BOOKS
1980' - feet from N / E
1980' - feet from Sec. 8 R. M. 12
Line of Section 5 East / West
Is Section: Regular or Regular

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

PLAT
(Show location of the well and shape of acreage for prorated or spaced wells.)
(Show footage to the up-right lease or unit boundary line.)

NOTE: In all cases locate the spot of the proposed drilling location.

1980' 1980

SECTION 5 FROM SECTION LINES

In plotting the proposed location of the well, you must show:
1. The manner in which you are using the depicted part 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 north / 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: (CD-7 for oil wells; CD-4 for gas wells).