

For KCC Use:
Effective Date: 05/11/2008
District # 1
SGA? ☐ Yes ☐ No

KANSAS CORPORATION COMMISSION 1018523
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: 6/1/2008
month day year

OPERATOR: License# 32811
Name: OSAGE Resources, LLC
Address 1: 6209 N K61 HWY
Address 2:
City: HUTCHINSON State: KS Zip: 67502 + 8608
Contact Person: Brooke C. Maxfield
Phone: 620-664-9622

CONTRACTOR: License#
Name: Advise on ACO-1 --Must be licensed by KCC

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

☐ If OWWO: old well information as follows:

Operator:
Well Name:
Original Completion Date: Original Total Depth:

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

Spot Description:
SW - NE - NW - NE Sec. 2 Twp. 33 S. R. 15 ☐ E ☐ W
(Q/Q/Q/Q) 646 feet from ☐ N / ☐ S Line of Section
1880 feet from ☐ E / ☐ W Line of Section

Is SECTION: ☐ Regular ☐ Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Barber
Lease Name: Osage Well #: 139 Inj.
Field Name: Aetna Gas Area

Is this a Prorated / Spaced Field? ☐ Yes ☐ No

Target Formation(s): Viola

Nearest Lease or unit boundary line (in footage): 646

Ground Surface Elevation: 1959 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: 180

Surface Pipe by Alternate: ☐ I ☐ II

Length of Surface Pipe Planned to be set: 210

Length of Conductor Pipe (if any):

Projected Total Depth: 5300

Formation at Total Depth: Viola

Water Source for Drilling Operations:

☐ Well ☐ Farm Pond ☐ Other:

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

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.

Submitted Electronically

For KCC Use ONLY

API # 15 - 15-007-23296-00-00

Conductor pipe required 0 feet

Minimum surface pipe required 200 feet per ALT. ☐ I ☐ II

Approved by: Rick Hestermann 05/06/2008

This authorization expires: 05/06/2009

(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:



1018523

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 - 15-007-23296-00-00

Operator: OSAGE Resources, LLC

Lease: Osage

Well Number: 139 Inj.

Field: Aetna Gas Area

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: SW - NE - NW - NE

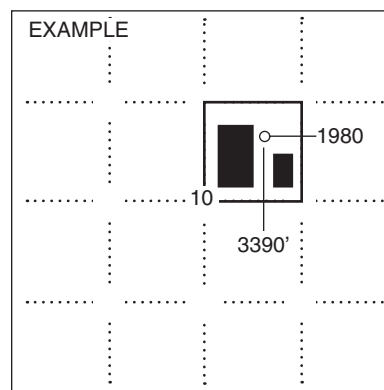
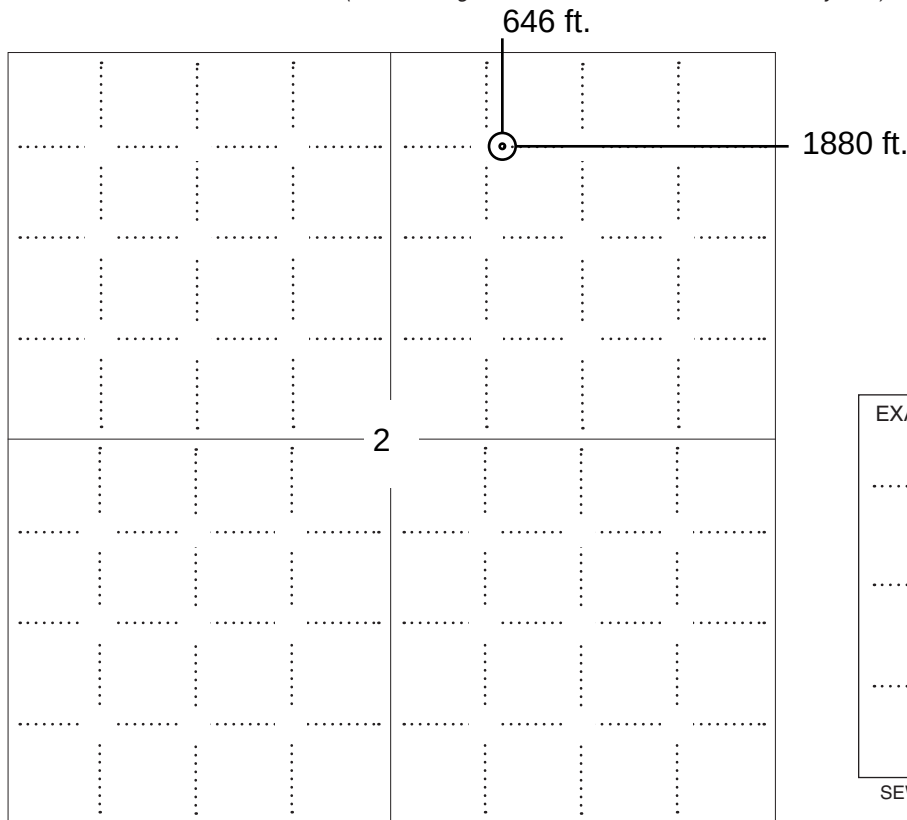
Location of Well: County: Barber

646 feet from ☐ N / ☐ S Line of Section1880 feet from ☐ E / ☐ W Line of SectionSec. 2 Twp. 33 S. R. 15 ☐ E ☐ WIs 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.)



SEWARD CO.

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: (C0-7 for oil wells; CG-8 for gas wells).



KANSAS CORPORATION COMMISSION 1018523
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: OSAGE Resources, LLC		License Number: 32811	
Operator Address: 6209 N K61 HWY		HUTCHINSON KS 67502	
Contact Person: Brooke C. Maxfield		Phone Number: 620-664-9622	
Lease Name & Well No.: Osage 139 Inj.		Pit Location (QQQQ):	
Type of Pit: ☐ Emergency Pit ☐ Burn Pit ☐ Settling Pit ☐ Drilling Pit ☐ Workover Pit ☐ Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: ☐ Proposed ☐ Existing If Existing, date constructed: _____ Pit capacity: 4500 (bbls)	SW - NE - NW - NE Sec. 2 Twp. 33 R. 15 ☐ East ☐ West 646 Feet from ☐ North / ☐ South Line of Section 1880 Feet from ☐ East / ☐ West Line of Section Barber County	
Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☐ No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level? ☐ Yes ☐ No	Artificial Liner? ☐ Yes ☐ No	How is the pit lined if a plastic liner is not used? surface clay/shale fill	
Pit dimensions (all but working pits): 60 Length (feet) 40 Width (feet) ☐ N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) ☐ 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 na feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: ☐ measured ☐ well owner ☐ electric log ☐ 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? ☐ Yes ☐ No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Bentonite Drilling Mud Number of working pits to be utilized: 3 Abandonment procedure: Pits allowed to evaporate until dry and then backfilled. Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY

Steel Pit ☐ RFAC ☐ RFAS ☐

Date Received: 05/02/2008 Permit Number: 15-007-23296-00-00 Permit Date: 05/06/2008 Lease Inspection: ☐ Yes ☐ 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*

**NOTICE TO OPERATORS FILING INTENT TO DRILL
FOR DISPOSAL OR ENHANCED RECOVERY
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in K.A.R. 82-3-400 et seq of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.



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

May 06, 2008

Brooke C. Maxfield
OSAGE Resources, LLC
6209 N K61 HWY
HUTCHINSON, KS67502-8608

Re: Drilling Pit Application
Osage Lease Well No. 139 Inj.
NE/4 Sec.02-33S-15W
Barber County, Kansas

Dear Brooke C. Maxfield:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve pit be lined with native clay or bentonite, constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again after drilling operations have ceased. **Keep pit on top of ridge away from draws.**

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: kcc.ks.gov/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) 225-8888.