For KCC Use:
Effective Date: 07/04/2009
District # 3
SGA? [ ] Yes [ ] No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1029457

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: 7/7/2009 (month / day / year)

OPERATOR: License# 32294
Name: Osborn Energy, L.L.C.
Address 1: 24850 FARLEY
Address 2:
City: BUCYRUS State: KS Zip: 66013 + 9264
Contact Person: Curstin Hamblin
Phone: 913-533-9900

CONTRACTOR: License# 32294
Name: Osborn Energy, L.L.C.

Well Drilled For:	Well Class:	Type Equipment:
[ ] Oil	[ ] Enh Rec	[ ] Infield	[ ] Mud Rotary
[X] 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:
E2 (Q/Q/Q/Q) - NW - SE - SE Sec. 21 Twp. 16 S. R. 25 [ ] E [ ] W
990 feet from [ ] N / [ ] S Line of Section
920 feet from [ ] E / [ ] W Line of Section
Is SECTION: [ ] Regular [ ] Irregular?

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

County: Miami
Lease Name: Markle Well #: 5-21
Field Name: Louisburg
Is this a Prorated / Spaced Field? [ ] Yes [ ] No
Target Formation(s): Cherokee/Marmaton
Nearest Lease or unit boundary line (in footage): 400
Ground Surface Elevation: 1000 Estimated Estimated 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: 300
Surface Pipe by Alternate: [ ] I [ ] II
Length of Surface Pipe Planned to be set: 20
Length of Conductor Pipe (if any):
Projected Total Depth: 900
Formation at Total Depth: Cherokee
Water Source for Drilling Operations:
[ ] Well [ ] Farm Pond [ ] Other: Operator Provided
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 - 15-121-28716-00-00
Conductor pipe required 0 feet
Minimum surface pipe required 20 feet per ALT. [ ] I [ ] II
Approved by: Rick Hestermann 06/29/2009
This authorization expires: 06/29/2010
(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:

21 16 25 [ ] E [ ] W

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

Side Two

1029457

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 - 15-121-28716-00-00

Operator: Osborn Energy, L.L.C.

Lease: Markle

Well Number: 5-21

Field: Louisburg

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: E2 - NW - SE - SE

Location of Well: County: Miami

990 feet from ☐ N / ☐ S Line of Section

920 feet from ☐ E / ☐ W Line of Section

Sec. 21 Twp. 16 S. R. 25 ☐ E ☐ W

Is Section: ☐ Regular or ☐ Irregular

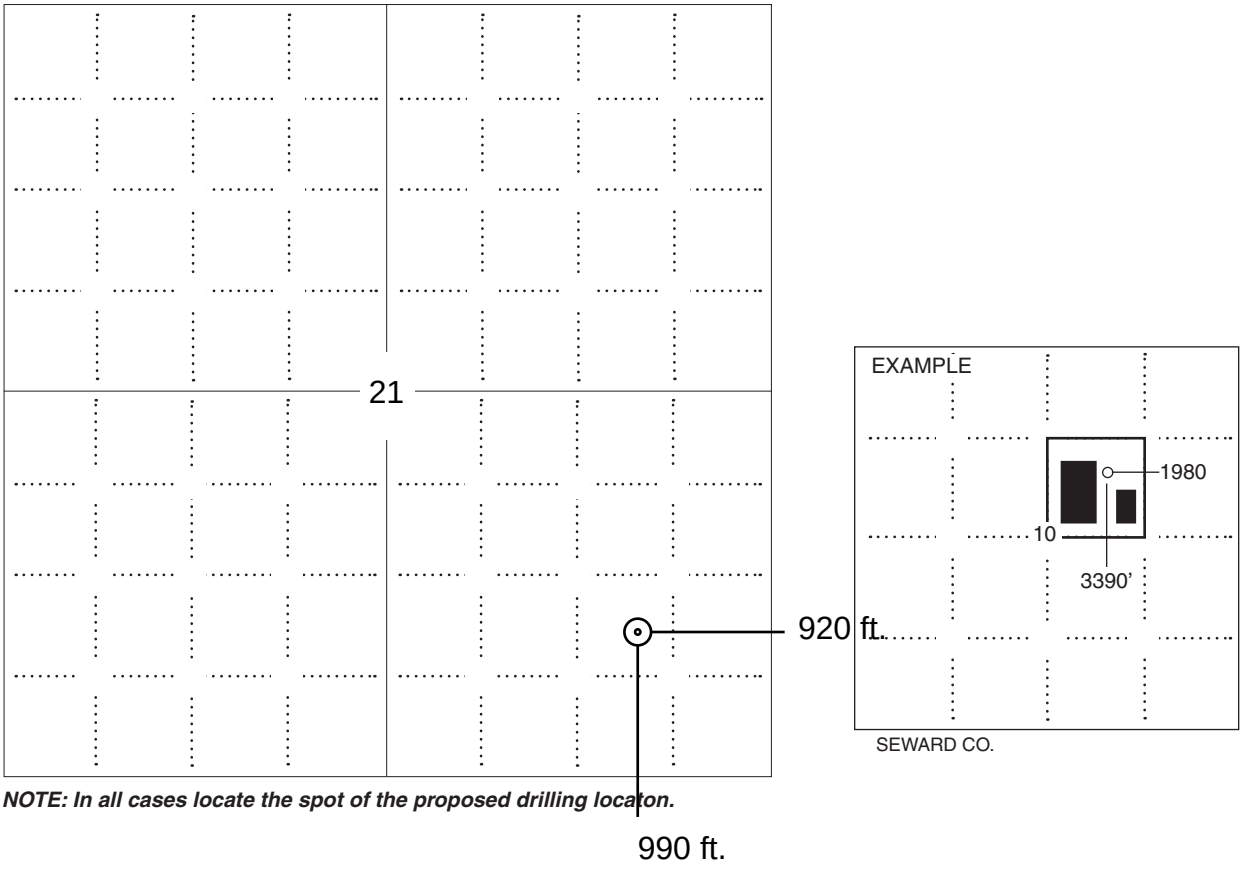
If Section is Irregular, locate well from nearest corner boundary.

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1029457

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Osborn Energy, L.L.C.

License Number: 32294

Operator Address: 24850 FARLEY BUCYRUS KS 66013

Contact Person: Curstin Hamblin

Phone Number: 913-533-9900

Lease Name & Well No.: Markle 5-21

Pit Location (QQQQ): E2 - NW - SE - SE

Sec. 21 Twp. 16 R. 25 ☐ East ☐ West

990 Feet from ☐ North / ☐ South Line of Section

920 Feet from ☐ East / ☐ West Line of Section

Miami County

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: 550 (bbls)

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?
Native Clay Lined

Pit dimensions (all but working pits): 20 Length (feet) 8 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
N/A 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

Number of working pits to be utilized: 1

Abandonment procedure: Let water evaporate, then fill pit with backhoe

Drill pits must be closed within 365 days of spud date.

Submitted Electronically

KCC OFFICE USE ONLY Steel Pit ☐ RFAC ☐ RFAS ☐

Date Received: 06/29/2009 Permit Number: 15-121-28716-00-00 Permit Date: 06/29/2009 Lease Inspection: ☐ Yes ☐ No

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

KANSAS
CORPORATION COMMISSION

Mark Parkinson, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

June 29, 2009

Curstin Hamblin
Osborn Energy, L.L.C.
24850 FARLEY
BUCYRUS, KS66013-9264

Re: Drilling Pit Application
Markle Lease Well No. 5-21
SE/4 Sec.21-16S-25E
Miami County, Kansas

Dear Curstin Hamblin:

District staff has inspected the above referenced location and has determined that the reserve pit shall be 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 practical after drilling operations have ceased.

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) 432-2300 when the fluids have been removed. Please file form CDP-5 (August 2004), 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) 432-2300.