

KANSAS

CORPORATION COMMISSION

Kathleen Sebelius, Governor Brian J. Moline, Chair Robert E. Krehbiel, Commissioner Michael C. Moffet, Commissioner

REQUEST FOR INFORMATION

January 05, 2005

Osborn Energy, L.L.C. -- KCC License # 32294
24850 Farley
Bucyruss, KS 66013

RECEIVED
JAN 12 2005
KCC WICHITA

RE: API Well No. 15-121-27862-00-00
GRAUBERGER 2-27-16-25
NWNE, 27-16S-25E
MIAMI County, Kansas

Dear Operator:

According to KCC records, the Intent to Drill approved by the KCC Conservation Division on April 26, 2004, for the well listed above, has expired. The KCC has not received a spud call or an ACO-1 Completion Report on this well.

If drilling operations on the well never commenced, please check, sign and date below and return this letter to the KCC Wichita office in the enclosed return envelope.

Well not drilled: Signature *R. R. Ashbel*
Date: 1/10/05

If the well has been drilled, please submit the required ACO-1 Completion Report with all attachments for this well along with a copy of this letter to the KCC Wichita office.

In either case please provide the requested information within 30 days from the date of this letter. Pursuant to K.A.R. 82-3-128, failure to respond to this letter with the requested information may result in assessment of a monetary penalty of \$100.00. Failure to file the ACO-1 form, if applicable, may result in assessment of a monetary penalty of \$500.00.

We appreciate your cooperation in this matter. If you have any questions, please contact me at (316) 337-6200.

Very truly yours,

David P. Williams
Supervisor
Production Department

For KCC Use: 5-1-04
 Effective Date: 3
 District #: 3
 SGA? Yes No

**KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
 NOTICE OF INTENT TO DRILL**

Form C-1
 December 2002
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

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

Expected Spud Date 7 2 2004
 month day year

Spot C NW NE Sec. 27 Twp. 16 S. R. 25 East West

OPERATOR: License# 32294
 Name: Osborn Energy, L.L.C.
 Address: 24850 Farley
 City/State/Zip: Bucyrus, Kansas 66013
 Contact Person: Steve Allee
 Phone: 913-533-9900

660 feet from N / S Line of Section
1980 feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

CONTRACTOR: License# 5885
 Name: Susie Glaze dba Glaze Drilling Co.

County: Miami
 Lease Name: Grauberger Well #: 2-27-16-25
 Field Name: Louisburg

Is this a Prorated / Spaced Field? Yes No
 Target Information(s): Marmaton
 Nearest Lease or unit boundary: 660

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

Ground Surface Elevation: 1015 feet MSL
 Water well within one-quarter mile: Yes No
 Public water supply well within one mile: Yes No

If OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Depth to bottom of fresh water: 120 +
 Depth to bottom of usable water: 220 +
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 20
 Length of Conductor Pipe required: None
 Projected Total Depth: 700
 Formation at Total Depth: Cherokee

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

Water Source for Drilling Operations:
 Well Farm Pond Other X
 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.

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

Date: 4/21/04 Signature of Operator or Agent: R.R. Allee Title: _____

For KCC Use ONLY
 API # 15 - 121-27862-00-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 20 feet per Alt. ②
 Approved by: RJP 4-26-04
 This authorization expires: 10-26-04
 (This authorization void if drilling not started within 6 months of effective 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;
- 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
 Signature of Operator or Agent: R.R. Allee
 Date: 1/14/05

27
16
25E