|   | RATION COMMISSION Form C-1   |
|---|--|
| Effective Date: OIL & GAS CONS  | SERVATION DIVISION RECEIVED December 2002 Form must be Typed   |
| SGA?   Ites   R INO   | NTENT TO DRILL  (5) days prior to commencing well  (5) days prior to commencing well   |
| Expected Spud Date 3 25 2005  | 20' E & 230' S of: KCC WICHITA   |
| month day year  | SW SW NW Sec. 12 Twp. 16 S. R. 24 West   |
| OPERATOR: License# 32294  Name: Osborn Energy, L.L.C.   | feet from X N / S Line of Section  350 feet from E / X W Line of Section   |
| 24850 Farley  | Is SECTION X_RegularIrregular?   |
| Address: Z4030 i diley City/State/Zip: Bucyrus, Kansas 66013  | (Note: Locate well on the Section Plat on reverse side)  |
| Contact Person: Steve Allee   | County: Miami  |
| Phone: 913-533-9900   | Lease Name: Someday Well #: 5-12-16-24   |
| roor  | Field Name: Paola-Rantoul  |
| CONTRACTOR: License# 5885  Name: Susie Glaze dba Glaze Drilling Co.   | Is this a Prorated / Spaced Field?   |
| Name:   | Farget Information(s): Marmaton and Cherokee Coals   |
| Well Drilled For: Well Class: Type Equipment:   | Nearest Lease or unit boundary: 350  |
| Oil Enh Rec X Infield Mud Rotary  | Ground Surface Elevation: 960 est. from Topo feet MSL  |
| X Gas Storage Pool Ext. X Air Rotary  | Water well within one-quarter mile:  |
| OWO Disposal Wildcat Cable  | Public water supply well within one mile:    Yes   X   No   Public water supply well within one mile:   280'+ (KCC)  |
| Seismic;# of Holes Other  | Depth to bottom of neon water,   |
| Other   | Depth to bottom of usable water.   |
|   | Surface Pipe by Alternate: 1 x 2  Length of Surface Pipe Planned to be set: 20' RECEIVED   |
| If OWWO: old well information as follows:   | Length of Conductor Pipe required: None  |
| Operator:   | Projected Total Depth: _750 +/-  |
| Well Name:  | Formation at Total Depth: Cherokee   |
| Original Completion Date:Original Total Depth:  | Water Source for Drilling Operations:  |
| Directional, Deviated or Horizontal wellbore?   | Well Farm Pond Other X   |
| If Yes, true vertical depth:  | DWR Permit #:  |
| Bottom Hole Location:   | (Note: Apply for Permit with DWR, Will Cores be taken? Yes X No  |
| KCC DKT #:  |  |
| unit information recieved. AFF  | If Yes, proposed zone:   |
| 7.1   | DAVIT  |
| The undersigned hereby affirms that the drilling, completion and eventual p   | lugging of this well will comply with K.S.A. 55 et. seq.   |
| It is agreed that the following minimum requirements will be met:   | * KENACES 12.151-518 20.00 100   |
| 1. Notify the appropriate district office <i>prior</i> to spudding of well;   | EXPIRED TO   |
| 2. A copy of the approved notice of intent to drill shall be posted on ea   | ch drilling rig;   |
| <ol><li>The minimum amount of surface pipe as specified below snall be so<br/>through all unconsolidated materials plus a minimum of 20 feet into t</li></ol> | ef by circulating cement to the top; in all cases surface pipe shall be set  |
| 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 plus  | gged or production casing is cemented in;  |
| 6. If an ALTERNATE II COMPLETION, production pipe shall be cemen  | ted 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 be plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing. |
|   |  |
| I hereby certify that the statements made herein are true and to the best of  | in my knownedge and bond.  |
| Date: 2/01/05 Signature of Operator or Agent: For Osborn Fr   | R. Stollich  |
| For Osborn Er   | nergy, L.L.C.  Remember to:  |
| For MCC Hop ONLY  | - File Drill Pit Application (form CDP-1) with Intent to Drill;  |
| For KCC Use ONLY 27999-0000   | - File Completion Form ACO-1 within 120 days of spud date;   |
| API # 15 - 121 - 2111 - 2000  | - File acreage attribution plat according to field proration orders;   |

feet

(This authorization void if drilling not started within 6 months of effective date.)

Agent:

Conductor pipe required.

This authorization expires: 8

Approved by:

Spud date:

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.

Well Not Drilled - Permit Exp

- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.