

SCANNED

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

For KCC Use: Effective Date: 2-16-05 District #: 3 SGA? Yes No

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

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

Expected Spud Date: 4 5 2005 month day year

Spot NE SW SW Sec. 8 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

990 feet from N / S Line of Section 990 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: Apple Well #: 13-8-16-25 Field Name: Louisburg

Is this a Prorated / Spaced Field? Yes No Target Information(s): Marmaton and Cherokee Coals

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

Nearest Lease or unit boundary: 330' Ground Surface Elevation: 1,030 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: 140' Depth to bottom of usable water: 280' Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 20' Length of Conductor Pipe required: None Projected Total Depth: 750' Formation at Total Depth: Cherokee

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 #:

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:

RECEIVED DEC 01 2005

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 conditions shall be met: Replaces 15-121-27825-00-00 Exp. 10/16/04

- 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: 1/25/05 Signature of Operator or Agent: [Signature] Title:

For Osborn Energy, L.L.C.

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.

For KCC Use ONLY API # 15 - 121-28046-00-00 Conductor pipe required NONE feet Minimum surface pipe required 20 feet per Alt. Approved by: RJR 2-11-05 This authorization expires: 8-11-05 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

Well Not Drilled - Permit Expired Signature of Operator or Agent: [Signature] Date: 9/9/05

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