

For KCC Use: Effective Date: 1-1-05 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: 1 13 2005 month day year

(30' N & 150' W of: SW-SW-NE) Spot Apx. W/2 SW SW NE Sec. 18 Twp. 16 S. R. 25 East West 3,000 feet from N / S Line of Section 2,625 feet from E / W Line of Section Is SECTION Regular Irregular?

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

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

County: Miami

Lease Name: Deer Well #: 7-18-16-25

Field Name: Louisburg

Is this a Prorated / Spaced Field? Yes No

Target Information(s): Marmaton & Cherokee Coals

Nearest Lease or unit boundary: 1,680'

Ground Surface Elevation: 1,073 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: 240' +/-

Surface Pipe by Alternate: 1 2 20'

Length of Surface Pipe Planned to be set: None

Length of Conductor Pipe required: 750'

Projected Total Depth: Cherokee

Formation at Total Depth: Cherokee

Water Source for Drilling Operations: Well Farm Pond Other

DWR Permit #: Yes No

(Note: Apply for Permit with DWR

Will Cores be taken? Yes No

If Yes, proposed zone: _____

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

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 #: _____

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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: 12/21/04 Signature of Operator or Agent: R.R. Ashbach Title: _____ For Osborn Energy, L.L.C.

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For KCC Use ONLY API # 15 - 121-27973-00-00 Conductor pipe required NONE feet Minimum surface pipe required 20' feet per Alt. Approved by: DPW 12-27-04 This authorization expires: 6-27-05 (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: _____ Date: 1/1/05

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