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MAY 22 2006

Form C-1  
December 2002

For KCC Use:

Effective Date: 5-30-06  
District # 1  
SGA?  Yes  No

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

**KCC WICHITA** 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 June 12 2006  
month day year

Spot  East  
SW - NE - SE Sec. 5 Twp. 33 S. R. 14  West  
1655 feet from  N /  S Line of Section  
890 feet from  E /  W Line of Section  
Is SECTION  Regular  Irregular?

OPERATOR: License# 32811 ✓  
Name: Osage Resources, L.L.C.  
Address: 1605 E. 56th Avenue  
City/State/Zip: Hutchinson, Kansas 67502  
Contact Person: Ben Crouch  
Phone: 620-664-9622

(Note: Locate well on the Section Plat on reverse side)  
County: Barber  
Lease Name: Osage Well #: 101

CONTRACTOR: License# 33789 ✓  
Name: D & B Drilling, L.L.C.

Field Name: Aetna Gas Area  
Is this a Prorated / Spaced Field?  Yes  No

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

Target Information(s): Mississippian  
Nearest Lease or unit boundary: 890'  
Ground Surface Elevation: 1776' feet MSL

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

Water well within one-quarter mile:  Yes  No  
Public water supply well within one mile:  Yes  No

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

Depth to bottom of fresh water: 100 Feet  
Depth to bottom of usable water: 150 Feet 180

Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 200 Feet

Length of Conductor Pipe required: None  
Projected Total Depth: 5300 Feet  
Formation at Total Depth: Ordovician

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: \_\_\_\_\_

**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: 5/18/2006 Signature of Operator or Agent: [Signature] Title: Vice President

For KCC Use ONLY  
API # 15 - 007-23028-0000  
Conductor pipe required None feet  
Minimum surface pipe required 200 feet per Alt. 1  
Approved by: PH 5-25-06  
This authorization expires: 11-30-06  
(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: \_\_\_\_\_

5  
33  
19W

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KCC WICHITA

Side Two

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

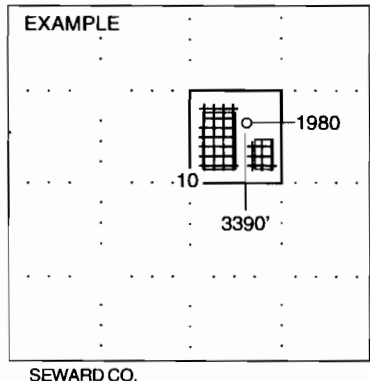
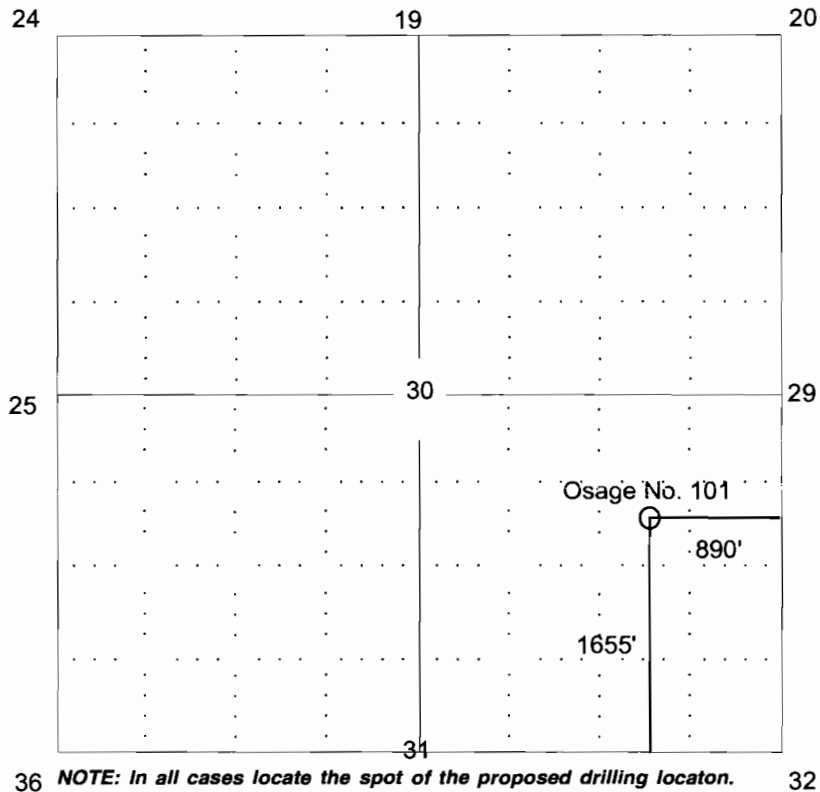
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 007-23028-0000
Operator: Osage Resources, L.L.C.
Lease: Osage
Well Number: 101
Field: Aetna Gas Area
Number of Acres attributable to well:
QTR / QTR / QTR of acreage: SW - NE - SE

Location of Well: County: Barber
1655 feet from S Line of Section
890 feet from E Line of Section
Sec. 5 Twp. 33 S. R. 14 East West
Is Section: Irregular
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: SE

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 section's south, north and east, west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).

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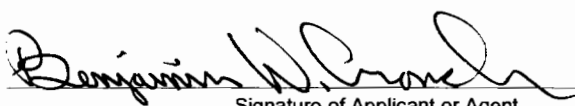
KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

MAY 22 2006

Form CDP-1  
January 2001  
Form must be Typed

APPLICATION FOR SURFACE POND **KCC WICHITA**

Submit in Duplicate

Operator Name: <b>Osage Resources, L.L.C.</b>		License Number: <b>32811</b>
Operator Address: <b>1605 E 56th Avenue</b>		
Contact Person: <b>Ben Crouch</b>		Phone Number: ( <b>620</b> ) <b>664 - 9622</b>
Lease Name: <b>Osage # 101</b>		Pit Location:
Type of Pond: Emergency Pit <input type="checkbox"/> Treatment Pit <input type="checkbox"/> <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Burn Pit (If WP Supply API No. or Year Drilled)	Pit is: <input checked="" type="checkbox"/> Proposed Existing If Existing, date constructed: <b>NA</b> Pit capacity: <b>4500</b> (bbls)	<b>SE</b> Qtr. Sec. <b>5</b> Twp. <b>33</b> R. <b>14</b> <input type="checkbox"/> E <input checked="" type="checkbox"/> W <b>1655</b> Feet from N <b>(S)</b> (circle one) Line of Section <b>890</b> Feet from <b>(E)</b> W (circle one) Line of Section <b>Barber</b> County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <b>NA</b> mg/l <i>(For Emergency Pits and Treatment Pits only)</i>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? <b>Surface clay/shale fill</b>
Pit dimensions (all but working pits): <b>60</b> Length (feet) <b>40</b> Width (feet) Depth from ground level to deepest point: <b>5</b> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>NA</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>NA</b>
Distance to nearest water well within one-mile of pit <input checked="" type="checkbox"/> NONE feet Depth of water well <b>NA</b> feet		Depth to shallowest fresh water <b>100'</b> feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KBWR
<b>Emergency, Treatment and Burn Pits ONLY:</b> Producing Formation: <b>NA</b> Number of producing wells on lease: <b>NA</b> Barrels of fluid produced daily: <b>NA</b> Does the slope from the tank battery allow all spilled fluids to flow into the pond? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling and Workover Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Bentonite Drilling Mud</b> Number of working pits to be utilized: <b>3</b> Abandonment procedure: <b>Pits allowed to evaporate until dry then backfill.</b> Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
<b>5/18/2006</b> Date		 Signature of Applicant or Agent

15-007-23028-0022

KCC OFFICE USE ONLY

Date Received: **5/22/06** Permit Number: \_\_\_\_\_ Permit Date: **5/24/06** Lease Inspection:  Yes  No

*Line w/ native clay or bent. Keep pit filled. BFA54C*

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR  
BRIAN J. MOLINE, CHAIR  
ROBERT E. KREHBIEL, COMMISSIONER  
MICHAEL C. MOFFET, COMMISSIONER

May 24, 2006

Mr. Ben Crouch  
Osage Resources, LLC  
1605 E. 56<sup>th</sup> Ave.  
Hutchinson, KS 67502

RE: Drilling Pit Application  
Osage Lease Well No. 101  
SE/4 Sec. 05-33S-14W  
Barber County, Kansas

Dear Mr. Crouch:

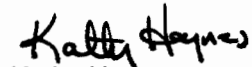
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, **the bottom and sides need to be compacted with bentonite or native clay**. The free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased. **The pits need to be located on top of the hill.**

**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) 225-8888 when the fluids have been removed. Please file form CDP-5, 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: [www.kcc.state.ks.us/conservation/forms](http://www.kcc.state.ks.us/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 undersigned at the above address.**

Sincerely,



Kathy Haynes  
Environmental Protection and Remediation Department

cc: S Durrant