

JUN 27 2006

For KCC Use:
Effective Date: 7-2-06
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

CONSERVATION DIVISION
WICHITA, KS

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

Expected Spud Date 07 05 2006
month day year

OPERATOR: License# 32294
Name: OSBORN ENERGY, LLC
Address: 24850 FARLEY
City/State/Zip: BUCYRUS, KS 66013
Contact Person: JEFF TAYLOR
Phone: 913-533-9900

CONTRACTOR: License# 5885
Name: R.S. GLAZE DRILLING

Well Drilled For: ☐ Oil ☐ Enh Rec ☒ Gas ☐ Storage ☐ QWOW ☐ Disposal ☐ 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 #: _____

Spot NE SW NE NE Sec. 16 Twp. 16 S. R. 25 ☒ East ☐ West
850 feet from ☒ N / ☐ S Line of Section
800 feet from ☒ E / ☐ W Line of Section
Is SECTION ☒ Regular ☐ Irregular?

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

County: MIAMI
Lease Name: ROUSH Well #: 1
Field Name: LOUISBURG
Is this a Prorated / Spaced Field? ☐ Yes ☒ No
Target Formation(s): MARMATON AND CHEROKEE
Nearest Lease or unit boundary: 650'
Ground Surface Elevation: 1000' 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: 200+/-
Depth to bottom of usable water: 300+/-
Surface Pipe by Alternate: ☐ 1 ☒ 2
Length of Surface Pipe Planned to be set: 20'
Length of Conductor Pipe required: NONE
Projected Total Depth: 900'
Formation at Total Depth: CHEROKEE
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: June 26, 2006 Signature of Operator or Agent: [Signature] Title: GEOLOGIST

For KCC Use ONLY

API # 15 - 121-28249-0000
Conductor pipe required None feet
Minimum surface pipe required 20 feet per Alt. VO 2
Approved by: Put 6-27-06
This authorization expires: 12-27-06
(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: _____

16
10
25E

JUN 27 2006

Side Two

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

CONSERVATION DIVISION
WICHITA, KS

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 - 121-28249-0000
Operator: OSBORN ENERGY, LLC
Lease: ROUSH
Well Number: 1
Field: LOUISBURG
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: SW - NE - NE

Location of Well: County: MIAMI
850 _____ feet from ☒ N / ☐ S Line of Section
800 _____ feet from ☒ E / ☐ W Line of Section
Sec. 16 Twp. 16 S. R. 25 ☒ East ☐ West

Is Section: ☒ Regular or ☐ Irregular

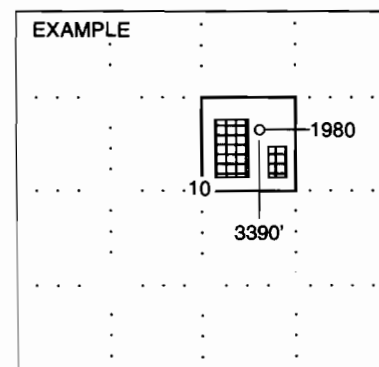
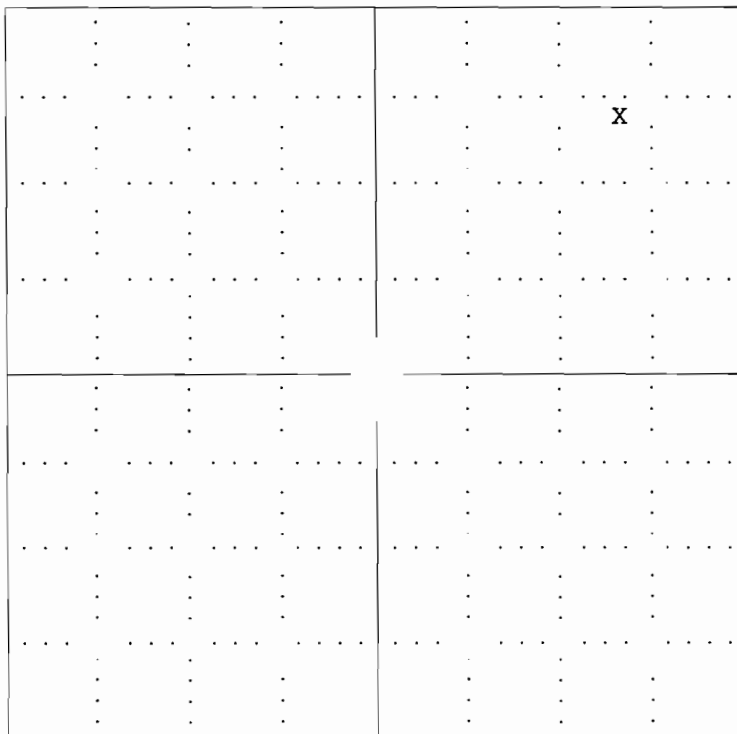
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

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: (C0-7 for oil wells; CG-8 for gas wells).

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

APPLICATION FOR SURFACE PIT

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 27 2006

Form CDP-1

April 2004

Form must be Typed

CONSERVATION DIVISION
WICHITA, KS

Submit in Duplicate

Operator Name: OSBORN ENERGY, LLC		License Number: 32294
Operator Address: 24850 FARLEY BUCYRUS, KS 66013		
Contact Person: JEFF TAYLOR		Phone Number: (913) 533 - 9900
Lease Name & Well No.: ROUSH 1		Pit Location (QQQQ): SW - NE - NE - Sec. 16 Twp. 16 R. 25 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 850 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 800 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section MIAMI County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: 550+/- (bbbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: N/A mg/l (For Emergency Pits and Settling Pits only)
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used? NATIVE CLAY LINED
Pit dimensions (all but working pits): 8 Length (feet) 20 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 4 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. N/A		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. 24 HOUR ON SITE MAINTENANCE WHILE DRILLING
Distance to nearest water well within one-mile of pit N/A 3184 feet Depth of water well 200 feet		Depth to shallowest fresh water N/A 92 feet. Source of information: LHMS <input checked="" type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: N/A Number of producing wells on lease: Barrels of fluid produced daily: Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: BENTONITE Number of working pits to be utilized: 1 Abandonment procedure: LET WATER EVAPORATE THEN USE BULLDOZER TO BACKFILL PIT 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. June 26, 2006 Date Jeff Taylor Signature of Applicant or Agent		

KCC OFFICE USE ONLY

Date Received: **6/27/06** Permit Number: Permit Date: **6/27/06** Lease Inspection: ☐ Yes ☒ No

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

15-121-28249-0000