

For KCC Use: District # Yes KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

MAY 2 2 2006

Form C-1 December 2002

Form must be Typed Form must be Signed

Must be approved by KCC five (5) days prior to commencing well. May 27, 2006 ✓ East Expected Spud Date month N / S Line of Section OPERATOR: License# 32294 ₹ E / ! W Line of Section feet from Name: Osborn Energy LLC Address: 24850 Farley Is SECTION trrequiar? City/State/Zip: Bucyrus, KS 66013 (Note: Locate well on the Section Plat on reverse side: Contact Person Jeff Taylor County, Miami Phone (913) 533-9900 Lease Name: Kircher Field Name CONTRACTOR: License# 5885 is this a Prorated / Spaced Field? Name: Susie Glaze dba R.S. Glaze Drilling Target Formation(s): Marmaton - Cherokee Nearest Lease or unit boundary: 330 Well Drilled For: Well Class Type Equipment. Ground Surface Elevation. n/a l Oil ✓ Infield Mud Rotary Water well within one-quarter mile Air Rotary Gas Storage Yes / No Public water supply well within one mile Disposa Depth to bottom of fresh water: 200'+-Seismic Depth to bottom of usable water: 300+-Other Surface Pipe by Alternate: 1 Length of Surface Pipe Planned to be set. If OWWO: old well information as follows Length of Conductor Pipe required: none Operator: Projected Total Depth: 900' Well Name: Marmaton - Cherokee Formation at Total Depth:.... Original Completion Date Water Source for Drilling Operations: Directional, Deviated or Horizontal wellbore? Well Farm Pond DWR Permit #: If Yes, true vertical depth: Bottom Hole Location: KCC DKT #: Will Cores be taken? ¥WAS: NW-NW-SE 2310'FSL If Yes, proposed zone IS: SW-NW-SE 1650'FSL **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; 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. 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; 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, afternate 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: May 22, 2006 Signature of Operator or Agent(

For KCC Use ONLY API 15 121-28203-0000 Conductor pipe required Minimum surface pipe required Approved by fut 5-23-06 /KN 9-4906 This authorization expires: 11-22-06 (This authorization void if drilling not started within 6 months of approval date.) Spud date:

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

Signature of Operator or Agent

Well Not Drilled - Permit Expired

Mail to: KCC - Conservation Division, 130 S. Market - Room 2076

SEP 2 8 2006