

For KCC Use:  
 Effective Date: 2-14-07  
 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 02 12 2007  
 month day year

Spot  East  
 NE NE SE Sec. 2 Twp. 16 S. R. 24  West  
2310 feet from  N /  S Line of Section  
495 feet from  E /  W Line of Section

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

Is SECTION  Regular  Irregular?

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

CONTRACTOR: License# 5885  
 Name: GLAZE DRILLING

County: MIAMI  
 Lease Name: SEARS Well #: 16-2  
 Field Name: PAOLA-RANTOUL

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): MARMATON AND CHEROKEE

Nearest Lease or unit boundary: 660

Ground Surface Elevation: 1100 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: 120

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: 920'

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: \_\_\_\_\_

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil <input checked="" type="checkbox"/> Gas <input type="checkbox"/> OWWO <input type="checkbox"/> Seismic <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Infield <input type="checkbox"/> Pool Ext. <input type="checkbox"/> Wildcat <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Mud Rotary <input type="checkbox"/> Air Rotary <input type="checkbox"/> Cable
<input type="checkbox"/> Enh Rec <input type="checkbox"/> Storage <input type="checkbox"/> Disposal		
# of Holes _____		

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 #: \_\_\_\_\_

**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: Feb 2, 2007 Signature of Operator or Agent: [Signature] Title: GEOLOGIST

For KCC Use ONLY  
 API # 15 - 121-28371-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 20 feet per Alt. X2  
 Approved by [Signature]  
 This authorization expires: 8-9-07  
 (This authorization void if drilling not started within 6 months of approval date.)  
**RECEIVED** 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: FEB 8 2007

**FEB 09 2007**  
**KCC WICHITA**

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

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**FEB 8 2007**  
 CONSERVATION DIVISION  
 WICHITA, KS

2  
16  
24E

**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 - 121-28371-0000

Operator: OSBORN ENERGY, LLC

Lease: SEARS

Well Number: 16-2

Field: PAOLA-RANTOUL

Number of Acres attributable to well: \_\_\_\_\_

QTR / QTR / QTR of acreage: NE - NE - SE

Location of Well: County: MIAMI

2310 feet from  N /  S Line of Section

495 feet from  E /  W Line of Section

Sec. 2 Twp. 16 S. R. 24  East  West

Is Section:  Regular or  Irregular

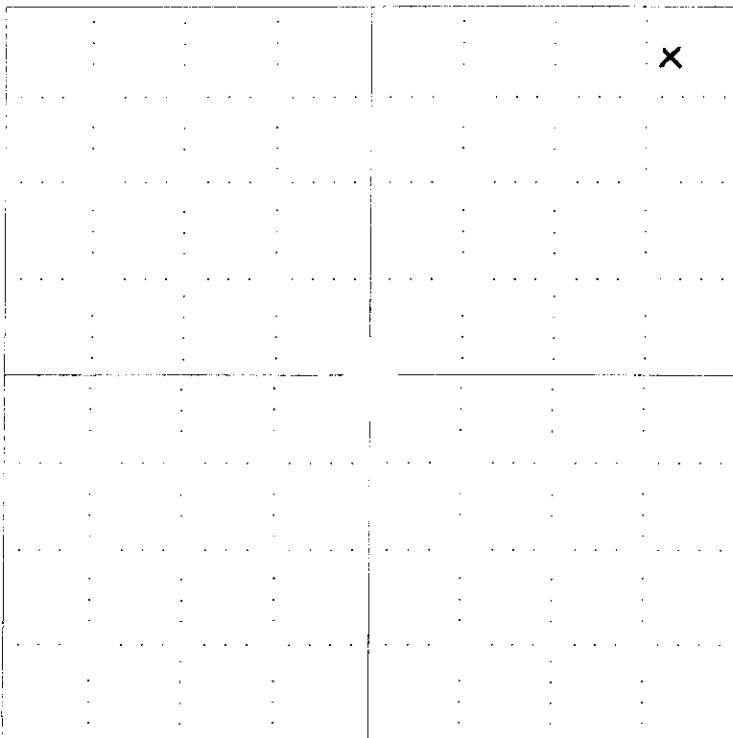
If Section is Irregular, locate well from nearest corner boundary.

Section corner used:  NE  NW  SE  SW

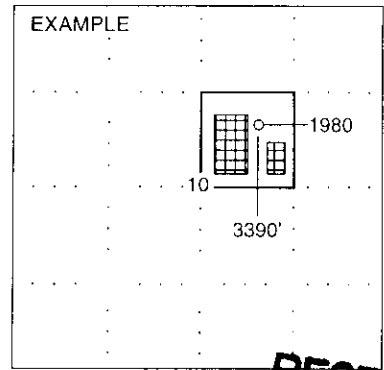
**PLAT**

*(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.



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**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 (KCC Form CG-8 for gas wells).

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**FEB 11 2007**

**CONSERVATION DIVISION  
WICHITA, KS**

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**APPLICATION FOR SURFACE PIT**

Form CDP-1  
April 2004  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>OSBORN ENERGY, LLC</b>		License Number: <b>32294</b>
Operator Address: <b>24850 FARLEY, BUCYRUS, KS 66013</b>		
Contact Person: <b>MEREDITH PEARCE</b>		Phone Number: ( <b>913</b> ) <b>533</b> - <b>9900</b>
Lease Name & Well No.: <b>SEARS 16-2</b>		Pit Location (QQQQ): _____ <b>NE</b> . <b>NE</b> . <b>SE</b> Sec. <b>2</b> Twp. <b>16</b> R. <b>24</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>2310</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>495</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section _____ 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 <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>550+/-</b> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <b>N/A</b> mg/l <small>(For Emergency Pits and Settling Pits only)</small>
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>NATIVE CLAY LINED</b>
Pit dimensions (all but working pits): <b>8</b> Length (feet) <b>20</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>4</b> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>N/A</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>24 HOUR ON SITE MAINTENANCE WHILE DRILLING</b>
Distance to nearest water well within one-mile of pit <b>2246</b> N/A feet    Depth of water well <b>260</b> feet	Depth to shallowest fresh water <b>N/A 193</b> feet. <b>LAWN</b> Source of information: _____ measured _____ well owner _____ electric log _____ KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> Producing Formation: <b>N/A</b> 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	<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>BENTONITE</b> Number of working pits to be utilized: <b>1</b> Abandonment procedure: <b>LET WATER EVAPORATE THEN USE BULLDOZER TO BACKFILL PIT</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>Feb 2, 2007</b> Date  <i>Meredith Pearce</i> Signature of Applicant or Agent		

15121-28371-0020

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**FEB 09 2007**

**KCC WICHITA**

<b>KCC OFFICE USE ONLY</b>		
Date Received: <b>2/9/07</b>	Permit Number: _____	Permit Date: <b>2/9/07</b>
		<b>RECEIVED</b> <b>KANSAS CORPORATION COMMISSION</b> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>FEB 08 2007</b>

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

**CONSERVATION DIVISION  
WICHITA, KS**