

For KCC Use: 6-28-06
 Effective Date: 3
 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 06 26 2006
month day year

Spot East
 SW - SE - SE Sec. 16 Twp. 16 S. R. 25 West
330 feet from N / S Line of Section
990 feet from E / W Line of Section

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

RECEIVED
 KANSAS CORPORATION COMMISSION

JUN 23 2006

CONTRACTOR: License# 5885 ✓
 Name: R.S. GLAZE DRILLING
 CONSERVATION DIVISION
 WICHITA, KS

Is SECTION Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

County: MIAMI
 Lease Name: HERL 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: _____

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

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: June 22, 2006 Signature of Operator or Agent: [Signature] Title: GEOLOGIST

For KCC Use ONLY
 API # 15 - 21-28248-000
 Conductor pipe required None feet
 Minimum surface pipe required 20 feet per Alt. YO 2
 Approved by: R.H. 6-23-06
 This authorization expires: 12-23-06
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

Remember to:

- File Drill Pit Application (form GDP-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: [Signature]
 Date: Mar 5, 2007

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

RECEIVED

MAR 09 2007

KCC WICHITA

16
10
25W