

For KCC Use: 5-7-07
Effective Date: 5-7-07
District # 1
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 May 1 2007
month day year

Spot S/2 - SW - NW Sec. 36 Twp. 33 S. R. 15 East West
2167 feet from N / S Line of Section
651 feet from E / W Line of Section

OPERATOR: License# 32811 ✓
Name: Osage Resources, L.L.C.
Address: 6209 N K61 Hwy
City/State/Zip: Hutchinson, Kansas 67502
Contact Person: Brooke C. Maxfield
Phone: 620-664-9622

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

CONTRACTOR: License# 33724
Name: Warren Drilling, LLC

County: Barber
Lease Name: Osage Well #: 106
Field Name: Aetna Gas Area
Is this a Prorated / Spaced Field? Yes No

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	
<input type="checkbox"/> Other		

Target Information(s): Mississippian
Nearest Lease or unit boundary: 430'

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

Ground Surface Elevation: 1757' 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: 100 Feet
Depth to bottom of usable water: 180 Feet

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

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: 5550 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

RECEIVED
KANSAS CORPORATION COMMISSION

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:

APR 25 2007

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.

CONSERVATION DIVISION
WICHITA, KS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.
Date: 4/18/2007 Signature of Operator or Agent: Brooke C Maxfield Title: Geological Technician

For KCC Use ONLY
API # 15 - 007-23145-0000
Conductor pipe required None feet
Minimum surface pipe required 200 feet per Alt. 1
Approved by: WAT 5-2-07
This authorization expires: 11-2-07
(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: _____

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

36
33
15W

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 - 007-23145-0000
 Operator: Osage Resources, L.L.C.
 Lease: Osage
 Well Number: 106
 Field: Aetna Gas Area
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: S/2 - SW - NW

Location of Well: County: Barber
2167 feet from N / S Line of Section
651 feet from E / W Line of Section
 Sec. 36 Twp. 33 S. R. 15 East West

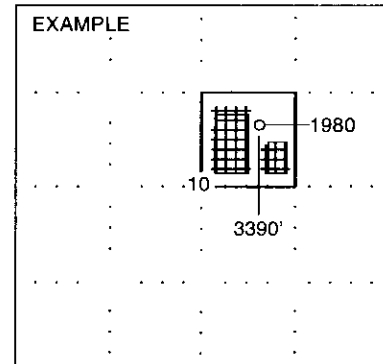
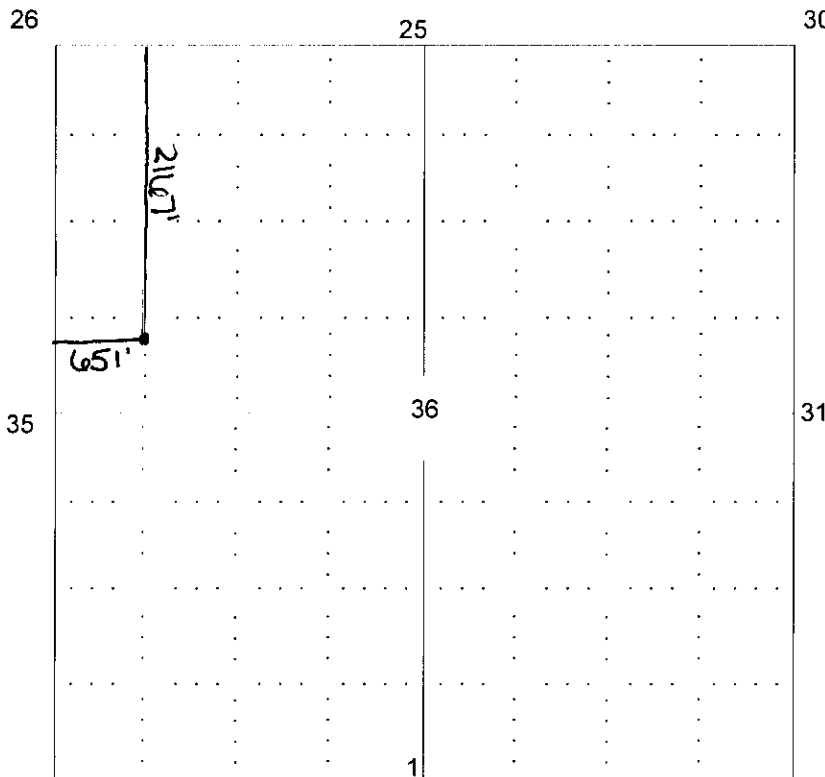
Is Section: Regular or Irregular

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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 APR 25 2007

CONSERVATION DIVISION
 WICHITA, KS


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).

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

Form GDP-1
January 2001
Form must be Typed

Submit in Duplicate

Operator Name: Osage Resources, L.L.C.		License Number: 32811
Operator Address: 6209 N K61 Hwy		
Contact Person: Brooke C. Maxfield		Phone Number: (620) 664 - 9622
Lease Name: Osage No. 106		Pit Location:
Type of Pond: Emergency Pit <input type="checkbox"/> Treatment Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> <input checked="" type="checkbox"/> Drilling Pit Burn Pit <input type="checkbox"/> <small>(if WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed Existing If Existing, date constructed: <u>NA</u> Pit capacity: <u>4500</u> (bbls)	NW Qtr. Sec. <u>36</u> Twp. <u>33</u> R. <u>15</u> <input type="checkbox"/> E <input checked="" type="checkbox"/> W <u>2167</u> Feet from <u>N</u> S (circle one) Line of Section <u>651</u> Feet from <u>E</u> W (circle one) Line of Section Barber County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <u>NA</u> mg/l <small>(For Emergency Pits and Treatment 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? Surface clay/shale fill
Pit dimensions (all but working pits): <u>60</u> Length (feet) <u>40</u> Width (feet) Depth from ground level to deepest point: <u>5</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <u>NA</u>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <u>NA</u>
Distance to nearest water well within one-mile of pit <input checked="" type="checkbox"/> NONE feet Depth of water well <u>NA</u> feet		Depth to shallowest fresh water <u>100'</u> feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> K&DWR
Emergency, Treatment and Burn Pits ONLY: Producing Formation: <u>NA</u> Number of producing wells on lease: <u>NA</u> Barrels of fluid produced daily: <u>NA</u> Does the slope from the tank battery allow all spilled fluids to flow into the pond? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling and Workover Pits ONLY: Type of material utilized in drilling/workover: <u>Bentonite Drilling Mud</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Pits allowed to evaporate until dry then backfill.</u> 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.		
<u>4/18/2007</u> Date	 Signature of Applicant or Agent	RECEIVED KANSAS CORPORATION COMMISSION APR 25 2007 CONSERVATION DIVISION WICHITA, KS PIT a/wy d/w RFAS+C
KCC OFFICE USE ONLY		
Date Received: <u>4/25/07</u> Permit Number: _____ Permit Date: <u>5/2/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-007-23145-0000



*Kathleen Sebelius, Governor
Brian J. Moline, Chair
Robert E. Krehbiel, Commissioner
Michael C. Moffet, Commissioner*

May 2, 2007

Ms. Brooke Maxfield
Osage Resources, LLC
6209 N K61 Hwy
Hutchinson, KS 67502

RE: Drilling Pit Application
Osage Lease Well No. 106
NW/4 Sec. 36-33S-15W
Barber County, Kansas

Dear Ms. Maxfield:

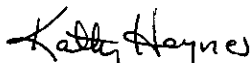
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt 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. **Please keep the pits away from the draw.**

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 (August 2004), 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.

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: File