

For KCC Use: 5-9-07
 Effective Date: _____
 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

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

CONTRACTOR: License# 33724
 Name: Warren Drilling, LLC

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

Spot East
C SW NE Sec. 25 Twp. 33 S. R. 15 West
1974 feet from N / S Line of Section
1994 feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

County: Barber
 Lease Name: Osage Well #: 109
 Field Name: Aetna Gas Area

Is this a Prorated / Spaced Field? Yes No

Target Information(s): Mississippian

Nearest Lease or unit boundary: 660'

Ground Surface Elevation: 1820' 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

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

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: 4/17/2007 Signature of Operator or Agent: Brooke C. Maxfield Title: Geological Technician

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APR 25 2007

CONSERVATION DIVISION
 WICHITA, KS

For KCC Use ONLY
 API # 15 - 007-23148-0000
 Conductor pipe required None feet
 Minimum surface pipe required 200 feet per Alt. 1
 Approved by: KM 5-4-07
 This authorization expires: 11-4-07
 (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

25
33
15E

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 - 007-23148-0000
 Operator: Osage Resources, L.L.C.
 Lease: Osage
 Well Number: 109
 Field: Aetna Gas Area

Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: C - SW - NE

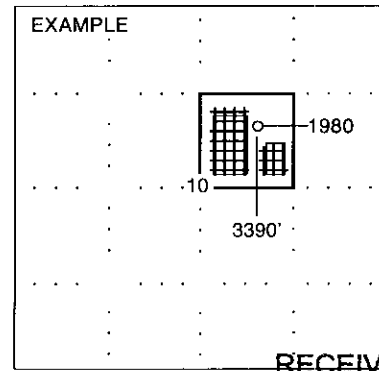
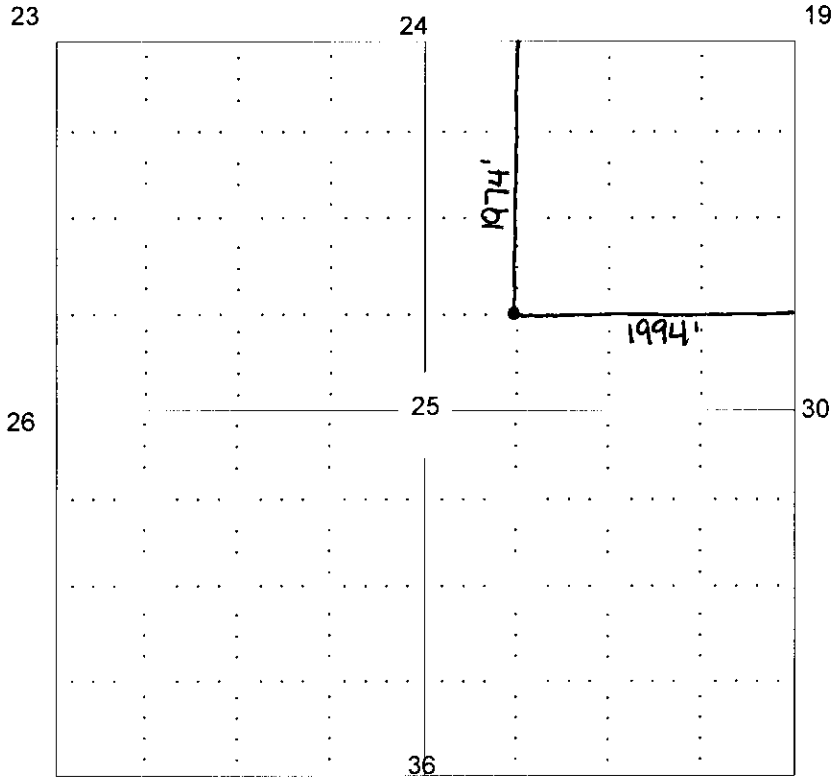
Location of Well: County: Barber
1974 feet from N / S Line of Section
1994 feet from E / W Line of Section
 Sec. 25 Twp. 33 S. R. 15 East West

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.)



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

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

Form CDP-1
January 2001
Form must be Typed

Submit in Duplicate

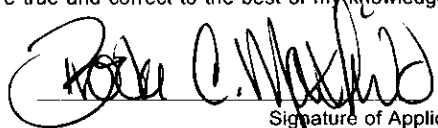
Operator Name: Osage Resources, L.L.C.		License Number: 32811
Operator Address: 6209 N K61 Hwy		
Contact Person: Brooke C. Maxfield		Phone Number: (620) 664 - 9622
Lease Name: Osage No. 109		Pit Location:
Type of Pond: Emergency Pit Treatment Pit _____ Workover Pit <input checked="" type="checkbox"/> Drilling Pit _____ Burn Pit (If WP Supply API No. or Year Drilled)	Pit is: <input checked="" type="checkbox"/> Proposed Existing If Existing, date constructed: <u>NA</u> Pit capacity: <u>4500</u> (bbls)	NE Qtr. Sec. <u>25</u> Twp. <u>33</u> R. <u>15</u> <input type="checkbox"/> E <input checked="" type="checkbox"/> W <u>1974</u> Feet from N / S (circle one) Line of Section <u>1994</u> Feet from E / 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 (For Emergency Pits and Treatment Pits only)
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 <u>NONE</u> ³¹³⁴ feet Depth of water well <u>NA</u> ⁶⁷ feet		Depth to shallowest fresh water <u>100'</u> ¹⁵ feet. Source of information: <u>?</u> _____ measured <input checked="" type="checkbox"/> well owner _____ electric log _____ KDWR
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

15-007-23148-0000

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I hereby certify that the above statements are true and correct to the best of my knowledge and belief.

4/17/2007
Date


Signature of Applicant or Agent

APR 25 2007

CONSERVATION DIVISION
WICHITA, KS

KCC OFFICE USE ONLY		RFASAC
Date Received: <u>4/25/07</u>	Permit Number: _____	Permit Date: <u>5/4/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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



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

May 4, 2007

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

RE: Drilling Pit Application
Osage Lease Well No. 109
NE/4 Sec. 25-33S-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