

OOWO

For KCC Use: Effective Date: 5-9-07 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 NE - NE - SW Sec. 13 Twp. 33 S. R. 15 East West

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

2266 feet from N / S Line of Section 2340 feet from E / W Line of Section

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 #: 111 SWD

Field Name: Aetna Gas Area Is this a Prorated / Spaced Field? Yes No

Target Information(s): Mississippian Nearest Lease or unit boundary: 1755'

Well Drilled For: Well Class: Type Equipment: Oil, Gas, OOWO, Seismic, Other; Enh Rec, Storage, Disposal, Wildcat, Other; Infield, Pool Ext, Wildcat, Other; Mud Rotary, Air Rotary, Cable

Ground Surface Elevation: 1798 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 520' Length of Conductor Pipe required: None

Projected Total Depth: 5468 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: RECEIVED KANSAS CORPORATION COMMISSION

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: 4/24/2007 Signature of Operator or Agent: [Signature] Title: Geological Technician

APR 25 2007

CONSERVATION DIVISION WICHITA, KS

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: Date:

For KCC Use ONLY

API # 15 - 007-00455-00-01

Conductor pipe required None feet Minimum surface pipe required 520 feet per Alt. 1

Approved by: [Signature]

This authorization expires: 11-4-07 (This authorization void if drilling not started within 6 months of effective date.)

Spud date: Agent:

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

13 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 - 007-00455-00-01
 Operator: Osage Resources, L.L.C.
 Lease: Osage
 Well Number: 111 SWD
 Field: Aetna Gas Area
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NE - NE - SW

Location of Well: County: Barber
 2266 _____ feet from N / S Line of Section
 2340 _____ feet from E / W Line of Section
 Sec. 13 Twp. 33 S. R. 15 East West

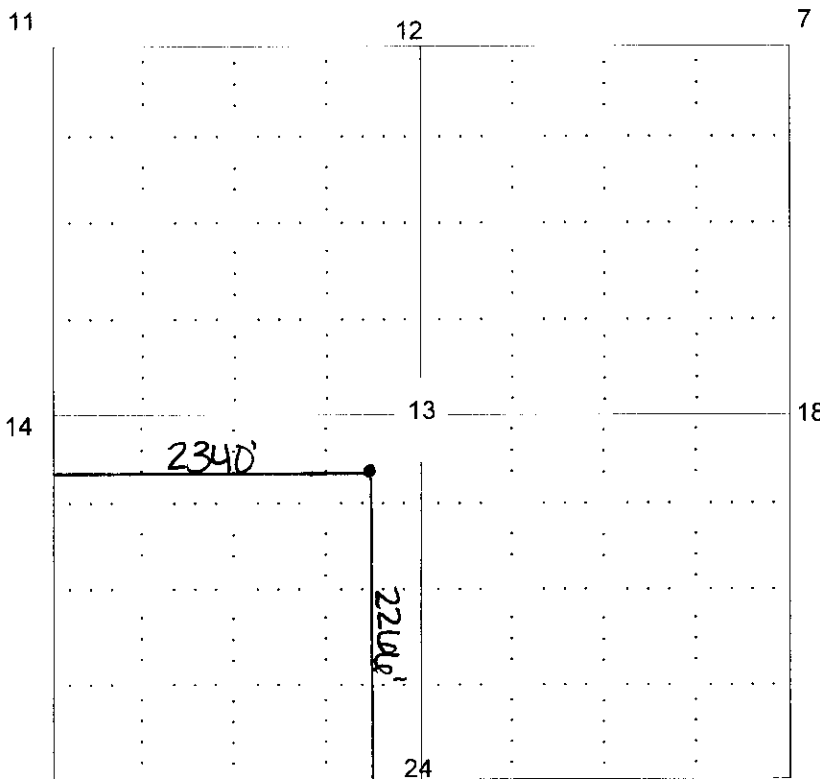
Is Section: Regular or Irregular

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

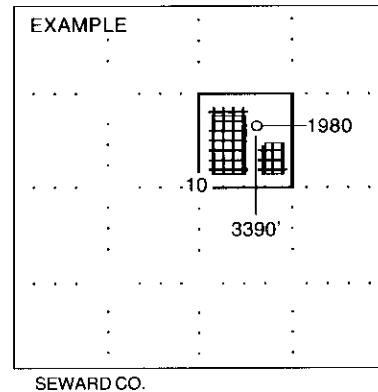
Section corner used: NE NW SE SW

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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 APR 25 2007
 CONSERVATION DIVISION
 WICHITA, KS



23 NOTE: In all cases locate the spot of the proposed drilling locaton.

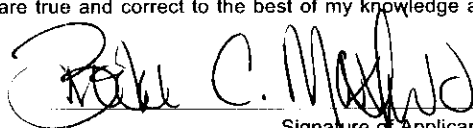
In plotting the proposed location of the well, you must show:

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. 111 SWD		Pit Location:
Type of Pond: Emergency Pit <input type="checkbox"/> Treatment Pit <input type="checkbox"/> <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> <input type="checkbox"/> Burn Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed Existing <input type="checkbox"/> If Existing, date constructed: NA Pit capacity: 4500 (bbls)	SW Qtr. Sec. 13 Twp. 33 R. 15 <input type="checkbox"/> E <input checked="" type="checkbox"/> W 2266 Feet from N <input checked="" type="radio"/> (circle one) Line of Section 2340 Feet from E <input checked="" type="radio"/> (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: NA 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): 60 Length (feet) 40 Width (feet) Depth from ground level to deepest point: 5 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. NA		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. NA
Distance to nearest water well within one-mile of pit NONE feet Depth of water well NA feet		Depth to shallowest fresh water 100' feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KBWR
Emergency, Treatment and Burn Pits ONLY: Producing Formation: NA Number of producing wells on lease: NA Barrels of fluid produced daily: NA 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: Bentonite Drilling Mud Number of working pits to be utilized: 3 Abandonment procedure: Pits allowed to evaporate until dry then backfill. 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.		
4/24/2007 Date		 Signature of Applicant or Agent

RECEIVED
KANSAS CORPORATION COMMISSION
APR 25 2007
CONSERVATION DIVISION
WICHITA, KS

15-001-00455-00-01

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

*Pit on hill away
draw REASAC*

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. 111 SWD
SW/4 Sec. 13-33S-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 on hill 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

15-007-00455-00-00

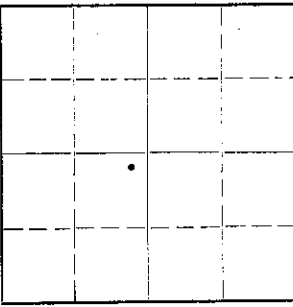
WELL PLUGGING RECORD

STATE OF KANSAS
CONSERVATION COMMISSION
Information Completely
Filed Affidavit
Plugging Report to:
Conservation Division
Conservation Commission
Plugging Building
Topeka, Kansas

FORMATION PLUGGING RECORD

Strike out upper line
when reporting plug-
ging of formations.

Barber County, Sec. 13 Twp. 33 Rge. 15 ~~XXXXXX~~
 Location as "NE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ " or footage from lines NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$
 Lease Owner **Champlin Refining Co.**
 Lease Name **Gentry** Well No. **#1**
 Office Address **Enid, Oklahoma.**
 Character of Well (completed as Oil, Gas or Dry Hole) **Dry Hole**
 Date well completed **March 26** 19 **44**
 Application for plugging filed **March 27** 19 **44**
 Application for plugging approved **March 27** 19 **44**
 Plugging commenced **March 27** 19 **44**
 Plugging completed **March 27** 19 **44**
 Reason for abandonment of well or producing formation.....
 If a producing well is abandoned, date of last production..... 19.....
 Was permission obtained from the Conservation Division or its agents before plugging was com-
 menced? **Yes**



Locate well correctly on above Section Plat

Name of Conservation Agent who supervised plugging of this well **Mr. I. T. Alexander**
 Producing formation..... Depth to top..... Bottom..... Total Depth of Well **5371'** Feet
 Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

Formation	Content	From	To	Size	Put In	Pulled Out

10 3/4" 520'

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hold. If cement or other plugs were used, state the character of same and depth placed, from.....feet to.....feet for each plug set.

Total depth was 5371'. We filled with heavy rotary mud from 5371' to 300' and then used Halliburton to set bridge using 12 sacks of cement from 300' to 270', then filled with heavy rotary mud from 270' to 26' and used Halliburton to set bridge, using 8 sacks of cement from 26' to 6'. (Bottom of cellar).

**520' of 10 3/4" OD casing was left in hole.
No other casing was run in this well.**

Stamp: **FIL 800**
 Handwritten: **13 33 154**
112 38

(If additional description is necessary, use BACK of this sheet)
 Correspondence regarding this well should be addressed to **Champlin Refining Co.**
 Address **Enid, Oklahoma.**

STATE OF **Oklahoma** COUNTY OF **Garfield**, ss.
P. C. Wentworth (employee of owner) ~~XXXXXX~~ of the above-described well,
 being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed and that the same are true and correct. So help me God.

(Signature) **P. C. Wentworth**
Enid, Oklahoma. (Address)

SUBSCRIBED AND SWORN to before me this **29th** day of **March**, 19 **44**.

My Commission Expires: May 25, 1946. *Wentworth*
 Notary Public.



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

**NOTICE TO OPERATORS FILING INTENT TO DRILL
FOR DISPOSAL OR ENHANCED RECOVERY
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in **K.A.R. 82-3-400 et seq** of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.