

May 6 2007

Form C-1

December 2002

For KCC Use: 5-26-07

Effective Date: 5-26-07

District #

SGA? Yes No [X]

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CONSERVATION DIVISION WICHITA, KS

NOTICE OF INTENT TO DRILL

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 21 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

Spot NE SW SE Sec. 19 Twp. 33 S. R. 14 East West 665 feet from N / S Line of Section 1925 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 #: 112 Field Name: Aetna Gas Area

Is this a Prorated / Spaced Field? Yes No

Target Information(s): Mississippian

Nearest Lease or unit boundary: 665'

Ground Surface Elevation: 1680' 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: 5365 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:

Table with columns: Well Drilled For, Well Class, Type Equipment. Includes checkboxes for Oil, Gas, OWWO, Seismic, Enh Rec, Storage, Disposal, Infield, Pool Ext, Wildcat, Other, Mud Rotary, Air Rotary, Cable.

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;
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.

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

Date: 5/14/2007 Signature of Operator or Agent: Title: Geological Technician II

For KCC Use ONLY API # 15 - 007-23155-0000 Conductor pipe required None feet Minimum surface pipe required 200 feet per Alt. 1 Approved by: WTM 5-21-07 This authorization expires: 11-21-07 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.

Well Not Drilled - Permit Expired

Signature of Operator or Agent:

Date:

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

19 33 14W

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 - 007-23155-00-00
Operator: Osage Resources, L.L.C.
Lease: Osage
Well Number: 112
Field: Aetna Gas Area
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: C SW SE

Location of Well: County: Barber
665 _____ feet from N / S Line of Section
1925 _____ feet from E / W Line of Section
Sec. 19 Twp. 33 S. R. 14 East West

Is Section: Regular or Irregular

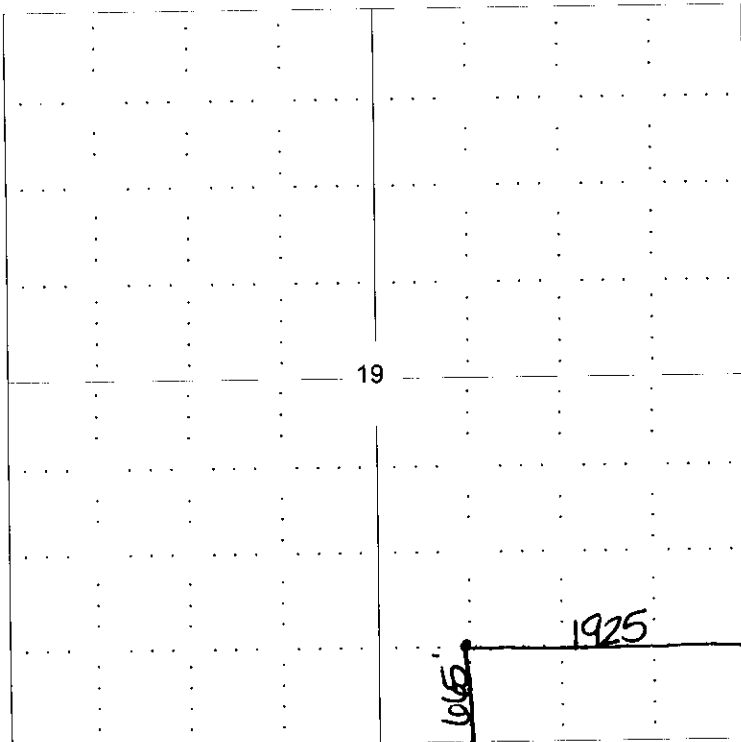
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

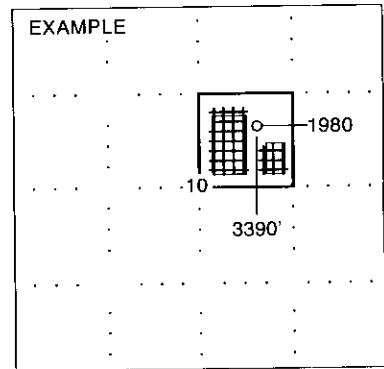
(Show footage to the nearest lease or unit boundary line.)



RECEIVED
KANSAS CORPORATION COMMISSION

MAY 16 2007

CONSERVATION DIVISION
WICHITA, KS



SEWARD CO.

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

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

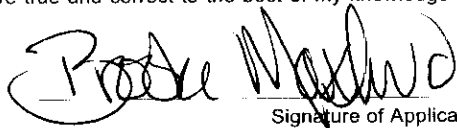
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit 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

MAY 16 2007

CONSERVATION DIVISION
WICHITA, KS

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. 112		Pit Location:
Type of Pond: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Treatment Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Burn 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: NA Pit capacity: 4500 (bbls)	SE Qtr. Sec. 19 Twp. 33 R. 14 <input type="checkbox"/> E <input checked="" type="checkbox"/> W 665 Feet from N (S) (circle one) Line of Section 1925 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: 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 506 feet Depth of water well NA 67 feet		Depth to shallowest fresh water 100' 15 feet (7) 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.		
5/14/2007 Date		 Signature of Applicant or Agent

15-007-23155-00-00

KCC OFFICE USE ONLY		<i>Steel pits @ well Reserve pit on top of hill to NW RFA54C</i>
Date Received: 5/16/07 Permit Number: _____	Permit Date: 5/18/07	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



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

May 18, 2007

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

Re: Drilling Pit Application
Osage Lease Well No. 112
SE/4 19-33S-14W
Barber County, Kansas

Dear Ms. Maxfield:

District staff has inspected the above referenced location and has determined that no earthen pits shall be constructed at the well site, steel pits only. The reserve pit shall be located **on top of the hill to the NW**, 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.

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: <http://kcc.ks.gov/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,

Jonelle Rains, Supervisor
Department of Environmental Protection and Remediation

cc: Steve Durrant
File

15-007-23155-00-02