

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

AUG 10 2007

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing work

For KCC Use:  
Effective Date: 8-20-07  
District #: 1  
SGA?  Yes  No

Expected Spud Date August 15, 2007  
month day year

OPERATOR: License# 32811  
Name: Osage Resources, L.L.C.  
Address: 6209 N Hwy 61  
City/State/Zip: Hutchinson, KS 67502  
Contact Person: Brooke C. Maxfield  
Phone: (620) 664-9622

CONTRACTOR: License# 33724  
Name: Warren Drilling, L.L.C.

Well Drilled For:  Oil  Gas  OWWO  Seismic;  Other  
Well Class:  Enh Rec  Storage  Disposal  # of Holes  Other  
Type Equipment:  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 #: \_\_\_\_\_

Spot SW SE NE \_\_\_\_\_ Sec. 25 Twp. 33 S. R. 15  
2095 \_\_\_\_\_ feet from  N /  S Line of Section  
1118 \_\_\_\_\_ 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 #: 115 SWD  
Field Name: Aetna Gas Area

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Mississippian  
Nearest Lease or unit boundary: 530'

Ground Surface Elevation: 1840' 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'  
Depth to bottom of usable water: 180'  
Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 210'  
Length of Conductor Pipe required: None  
Projected Total Depth: 5570'

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: 8/9/2007 Signature of Operator or Agent: Brooke C Maxfield Title: Geological Technician II

For KCC Use ONLY  
API # 15 - 007-23182-0000  
Conductor pipe required None feet  
Minimum surface pipe required 200 feet per Alt. 2  
Approved by: KWJ-1507  
This authorization expires: 2-15-08  
(This authorization void if drilling not started within 6 months of approval 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  
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*

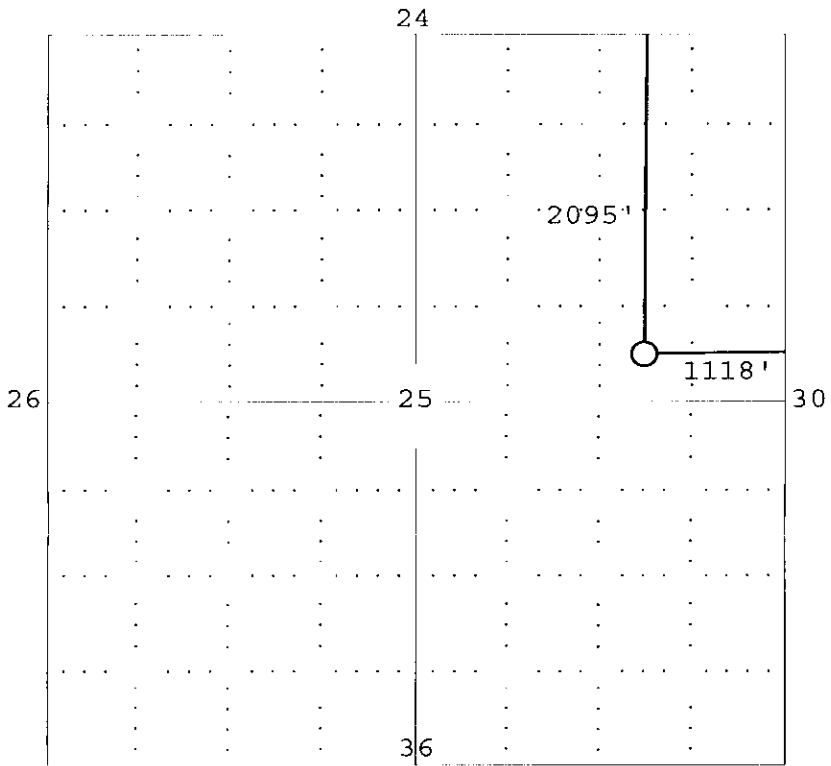
**If the intended well is in a prorated or spaced field, please fully complete this side of the form.** If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. 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 - 007-23182-0000  
 Operator: Osage Resources, L.L.C.  
 Lease: Osage  
 Well Number: 115 SWD  
 Field: Aetna Gas Area  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: SW SE NE

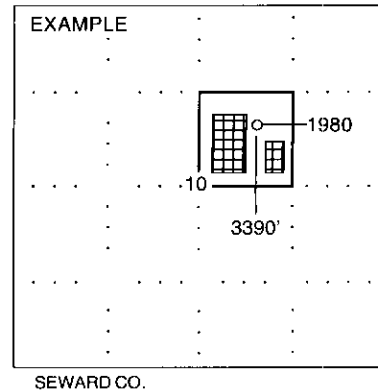
Location of Well: County: Barber  
 2095 \_\_\_\_\_ feet from  N /  S Line of Section  
 1118 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 25 Twp. 33 S. R. 15  East  West  
 Is Section:  Regular or  Irregular  
**If Section is Irregular, locate well from nearest corner boundary.**  
 Section 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.)*



RECEIVED  
 KANSAS CORPORATION COMMISSION  
**AUG 10 2007**  
 CONSERVATION DIVISION  
 WICHITA, KS



**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 PIT**

Form CDP-1  
April 2004  
Form must be Typed

Submit in Duplicate

Operator Name: <b>Osage Resources, L.L.C.</b>		License Number: <b>32811</b>
Operator Address: <b>6209 N Hwy 61 Hutchinson, KS 67502</b>		
Contact Person: <b>Brooke C. Maxfield</b>		Phone Number: ( <b>620</b> ) <b>664</b> - <b>9622</b>
Lease Name & Well No.: <b>Osage 115 SWD</b>		Pit Location (QQQQ): <b>SW SE NE</b> Sec. <b>25</b> Twp. <b>33</b> R. <b>15</b> East <input type="checkbox"/> West <input checked="" type="checkbox"/> <b>2095</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>1118</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Barber</b> County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off 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: <b>NA</b> Pit capacity: <b>4500</b> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <b>NA</b> mg/l <small>(For Emergency Pits and Settling 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? <b>Surface clay/shale fill</b>
Pit dimensions (all but working pits): <b>60</b> Length (feet) <b>40</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>5</b> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>NA</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>NA</b>
Distance to nearest water well within one-mile of pit <b>NA 2351</b> feet    Depth of water well <b>NA 67</b> feet		Depth to shallowest fresh water <b>100</b> <b>15</b> feet. Source of information: measured <input checked="" type="checkbox"/> well owner    electric log <input checked="" type="checkbox"/> <b>3</b> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> Producing Formation: <b>NA</b> Number of producing wells on lease: <b>NA</b> Barrels of fluid produced daily: <b>NA</b> Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Bentonite Drilling Mud</b> Number of working pits to be utilized: <b>3</b> Abandonment procedure: <b>Pits allowed to evaporate until dry then backfill</b> 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.  8/9/2007 <b>Brooke C. Maxfield</b> Date    Signature of Applicant or Agent		
<b>KCC OFFICE USE ONLY</b> <span style="float: right;"><b>RFS&amp;C</b></span>		
Date Received: <b>8/10/07</b> Permit Number:    Permit Date: <b>8/15/07</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-007-23182-0000



*Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner*

August 15, 2007

Brooke C. Maxfield  
Osage Resources, LLC  
6209 N Hwy 61  
Hutchinson, KS 67502

RE: Drilling Pit Application  
Osage Lease Well No. 115 SWD  
NE/4 Sec. 25-33S-15W  
Barber County, Kansas

Dear Brooke 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.

**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](http://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,

A handwritten signature in black ink that reads "Kathy Haynes".

Kathy Haynes  
Department of Environmental Protection and Remediation

cc: File

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802  
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

**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.