

For KCC Use:
Effective Date: 11-13-07
District # 1
SGA? ☒ Yes ☐ No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date October 31, 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 ☐ O/WO ☐ Seismic; # of Holes ☐ Other
Well Class: ☐ Enh Rec ☐ Storage ☐ Disposal ☐ 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 NW 1/4 NE SE Sec. 10 Twp. 33 S. R. 15
2006 feet from ☐ N / ☒ S Line of Section
657 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 #: 114
Field Name: Aetna Gas Area
Is this a Prorated / Spaced Field? ☐ Yes ☒ No
Target Formation(s): Mississippian
Nearest Lease or unit boundary: 657'
Ground Surface Elevation: 1830 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: 5500'
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:

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: 10/25/2007 Signature of Operator or Agent: Brooke C. Maxfield Title: Geological Technician II

OCT 25 2007

CONSERVATION DIVISION
WICHITA, KS

For KCC Use ONLY

API # 15 - 007-23230-0000
Conductor pipe required None feet
Minimum surface pipe required 200 feet per Alt. 1
Approved by: 11-8-07
This authorization expires: 11-8-08
(This authorization void if drilling not started within 6 months of approval date.)
Spud date: _____ Agent: 12

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

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 - 007-23230-0000
 Operator: Osage Resources, L.L.C.
 Lease: Osage
 Well Number: 114
 Field: Aetna Gas Area

Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NW - NE - SE
NE

Location of Well: County: Barber
2006 feet from ☐ N / ☒ S Line of Section
657 feet from ☒ E / ☐ W Line of Section
 Sec. 10 Twp. 33 S. R. 15 ☐ East ☒ West

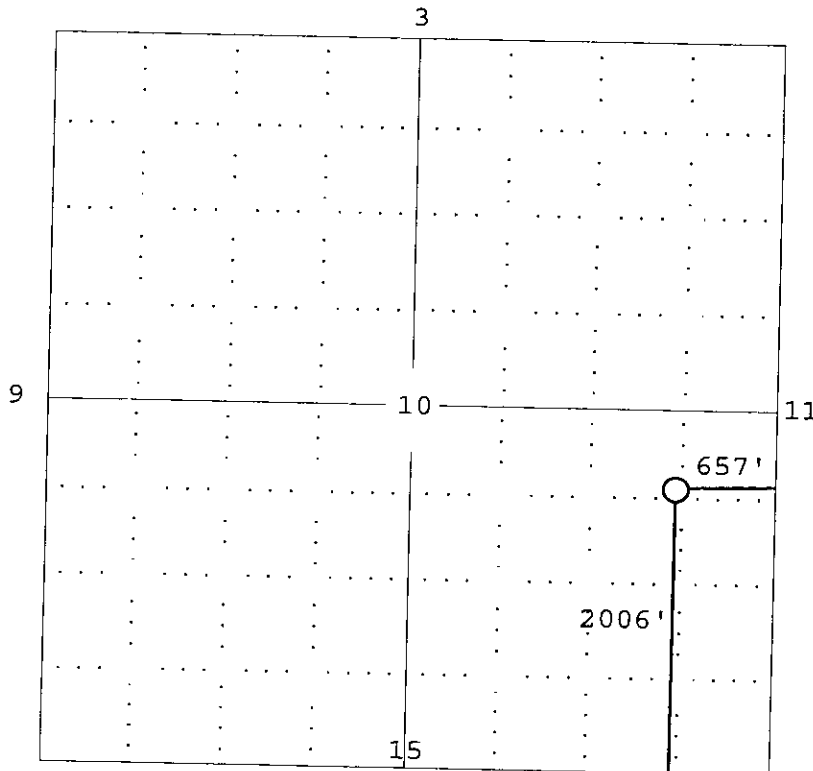
Is Section: ☒ Regular or ☐ Irregular

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

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

PLAT

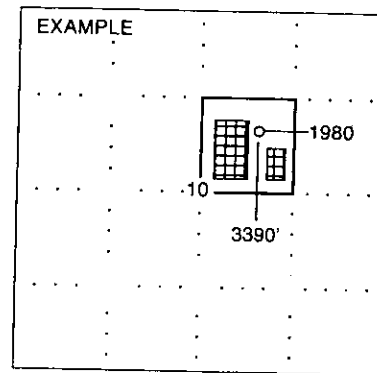
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)



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 KANSAS CORPORATION COMMISSION

OCT 25 2007

CONSERVATION DIVISION
 WICHITA, KS



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

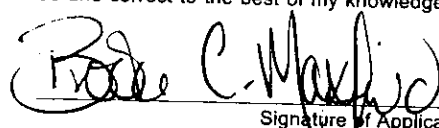
In plotting the proposed location of the well, you must show:

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: Osage Resources, L.L.C.		License Number: 32811	
Operator Address: 6209 N Hwy 61 Hutchinson, KS 67502			
Contact Person: Brooke C. Maxfield		Phone Number: (620) 664 - 9622	
Lease Name & Well No.: Osage 114		Pit Location (QQQQ): ____ NW ____ NE ____ SE Sec. <u>10</u> Twp. <u>33</u> R. <u>15</u> ☐ East ☒ West <u>2006</u> Feet from ☐ North / ☒ South Line of Section <u>657</u> Feet from ☒ East / ☐ West Line of Section <u>Barber</u> County	
Type of Pit: ☐ Emergency Pit ☐ Burn Pit ☐ Settling Pit ☒ Drilling Pit ☐ Workover Pit ☐ Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: ☒ Proposed ☐ Existing If Existing, date constructed: <u>NA</u> Pit capacity: <u>4500</u> (bbls)		
Is the pit located in a Sensitive Ground Water Area? ☒ Yes ☒ No		Chloride concentration: <u>NA</u> mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level? ☒ Yes ☐ No	Artificial Liner? ☐ Yes ☒ 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) <u>NA</u> Steel Pits 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. 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 <u>NA</u> <u>3229</u> feet Depth of water well <u>NA</u> <u>132</u> feet		Depth to shallowest fresh water <u>100</u> <u>70</u> feet. Source of information: ____ measured ☒ well owner ____ electric log ____ KDWR	
Emergency, Settling 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 pit? ☐ Yes ☐ No		Drilling, Workover and Haul-Off 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. Date: <u>10/25/2007</u> Signature of Applicant or Agent:  RECEIVED KANSAS CORPORATION COMMISSION OCT 25 2007 CONSERVATION DIVISION WICHITA, KS			
KCC OFFICE USE ONLY Date Received: <u>10/25/07</u> Permit Number: _____ Permit Date: <u>11/7/07</u> Lease Inspection: ☒ Yes ☐ No RFASYC			

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

15-007-23230-0000



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

November 7, 2007

Brooke C Maxfield
Osage Resources, LLC
62009 N Hwy 61
Hutchinson KS 67502

Re: Drilling Pit Application
Osage Lease Well No. 114
10-33S-15W
Barber County, Kansas

Dear Ms. Maxfield:

District staff has inspected the above referenced location and has determined that the reserve pit shall be **kept away from and out draws**, 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