

For KCC Use: 11-13-07  
 Effective Date: \_\_\_\_\_  
 District # \_\_\_\_\_  
 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 October 31, 2007  
 month day year

Spot \_\_\_\_\_ East  
 SW SW NW Sec. 26 Twp. 33 S. R. 15  West  
1988 feet from  N /  S Line of Section  
654 feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

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.

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

County: Barber  
 Lease Name: Osage Well #: 116  
 Field Name: Aetna Gas Area  
 Is this a Prorated / Spaced Field?  Yes  No

<b>Well Drilled For:</b>	<b>Well Class:</b>	<b>Type Equipment:</b>
<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"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> Seismic; _____ # of Holes	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> Cable

Nearest Lease or unit boundary: 654  
 Ground Surface Elevation: 1780 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

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 #: \_\_\_\_\_

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:

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

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

**For KCC Use ONLY**  
 API # 15 - 007-23231-0000  
 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 \_\_\_\_\_ months of approval date.)  
 Spud date: \_\_\_\_\_ Agent: 12

**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: \_\_\_\_\_

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

26  
33  
1574

**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 - 007-23231-0000  
 Operator: Osage Resources, L.L.C.  
 Lease: Osage  
 Well Number: 116  
 Field: Aetna Gas Area  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: SW - SW - NW

Location of Well: County: Barber  
 1988 \_\_\_\_\_ feet from  N /  S Line of Section  
 654 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 26 Twp. 33 S. R. 15  East  West

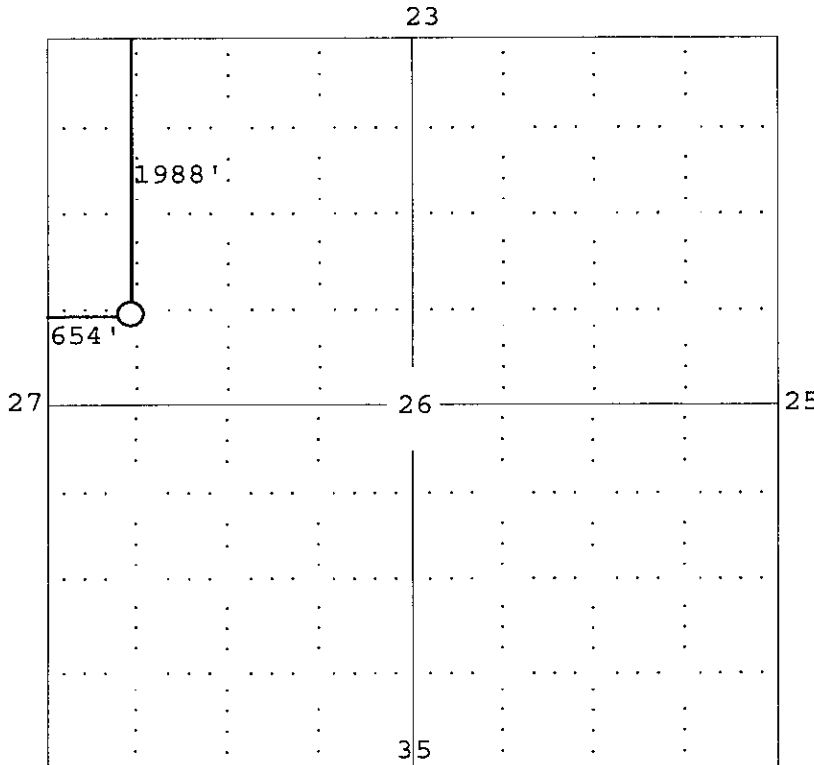
Is Section:  Regular or  Irregular

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

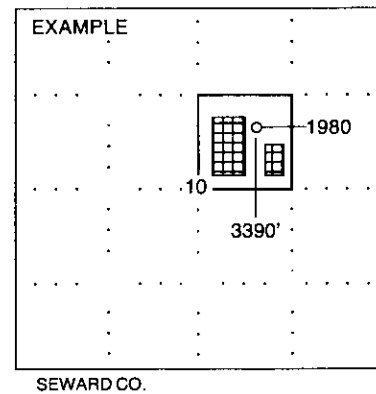
Section corner used:  NE  NW  SE  SW

**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  
 OCT 25 2007  
 CONSERVATION DIVISION  
 WICHITA, KS



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

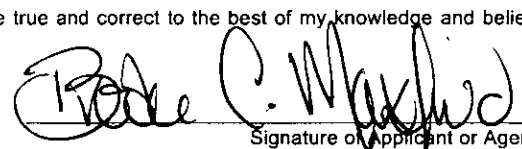
**In plotting the proposed location of the well, you must show:**

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: <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 - 9622</b>
Lease Name & Well No.: <b>Osage 116</b>		Pit Location (QQQQ): <u>      </u> <u>      </u> <u>      </u> <u>      </u> <b>SW SW NW</b>
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)	Sec. <b>26</b> Twp. <b>33</b> R. <b>15</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1988</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>654</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Barber</b> County
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): <u>      </u> <u>      </u> <u>      </u> <b>60</b> Length (feet) <b>40</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <u>      </u> (feet) <b>5</b>		
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 <u>      </u> <u>      </u> feet    Depth of water well <u>      </u> <u>      </u> feet <b>NA</b> <input checked="" type="checkbox"/> feet <b>NA</b> feet		Depth to shallowest fresh water <u>      </u> feet. Source of information: <u>      </u> measured <input checked="" type="checkbox"/> well owner <u>      </u> electric log <u>      </u> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> Producing Formation: <u>      </u> <b>NA</b> Number of producing wells on lease: <u>      </u> <b>NA</b> Barrels of fluid produced daily: <u>      </u> <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: <u>      </u> <b>Bentonite Drilling Mud</b> Number of working pits to be utilized: <u>      </u> <b>3</b> Abandonment procedure: <u>      </u> <b>Pits allowed to evaporate until dry then backfill</b> <u>      </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.		
<u>      </u> 10/25/2007 Date	 Signature of Applicant or Agent	<b>RECEIVED</b> <b>KANSAS CORPORATION COMMISSION</b> <b>OCT 25 2007</b> <b>CONSERVATION DIVISION</b> <b>WICHITA, KS</b>
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>      </u> <b>10/25/07</b>	Permit Number: <u>      </u>	Permit Date: <u>      </u> <b>11/7/07</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

15-007-23231-0000



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. 116  
26-33S-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 on top of the hill 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,

A handwritten signature in cursive script that reads "Jonelle Rains".

Jonelle Rains, Supervisor  
Department of Environmental Protection and Remediation

cc: Steve Durrant  
File