

| or KCC Use:                | Kansas Corporation Commission   |
|----------------------------|---------------------------------|
| Effective Date: 12/11/2007 | OIL & GAS CONSERVATION DIVISION |
| District #3                | NOTICE OF INTENT TO DOUG        |
| SGA? Yes X No              | NOTICE OF INTENT TO DRILL       |

1014721

Form C-1 October 2007 Form must be Typed Form must be Signed All blanks must be Filled

## NOTICE OF INTENT TO DRILL

| Must be approved                                                                                                                                                                                                                                               | l by KCC five (5) days prior to commencing well                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expected Spud Date: 12/17/2007  month day yea  OPERATOR: License#                                                                                                                                                                                              | Spot Description:  SE NE SW Sec. 1 Twp. 16 S. R. 24 XE W  (0.000) 1,650 feet from N / X S Line of Section  2,310 feet from E / X W Line of Section  Is SECTION: Regular Irregular?                                                                                                     |
| Address 2:  City: BuCYRUS State: KS Zip: 66013 +  Contact Person: Jeff Taylor  Phone: 913-533-9900                                                                                                                                                             | 9264 (Note: Locate well on the Section Plat on reverse side) County: Miami Lease Name: Hopkins Well #: 19-1                                                                                                                                                                            |
| CONTRACTOR: License# 32294<br>Name: Osborn Energy, L.L.C.                                                                                                                                                                                                      | is this a Prorated / Spaced Field? Yes ∑No Target Formation(s): Marmaton and Cherokee                                                                                                                                                                                                  |
| Well Drilled For: Well Class: Type Equipme  Oil Enh Rec Infield Mud Rote  Gas Storage Pool Ext. Air Roter  Disposal Wildcat Cable  Other: Other:  Office Office Original Completion Date: Original Total Depth:  Directional. Deviated or Horizontal wellbore? | Nearest Lease or unit boundary line (in footage): 660  Ground Surface Elevation: 992 feet MSL  Water well within one-quarter mile:  Public water supply well within one mile:  Depth to bottom of fresh water: 100  Depth to bottom of usable water: 300  Surface Pipe by Alternate: I |
| If Yes, true vertical depth:                                                                                                                                                                                                                                   | DWR Permit #:  (Note: Apply for Permit with DWR )  Will Cores be taken?                                                                                                                                                                                                                |
|                                                                                                                                                                                                                                                                | 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.

# Submitted Electronically

|                                                                                                                                                                       | Remember to:                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| For KCC Use ONLY  API # 15 - 15-121-28544-00-00  Conductor pipe required 0 feet  Minimum surface pipe required 20 feet per ALT. I I I I I I I I I I I I I I I I I I I | <ul> <li>File Drill Pit Application (form CDP-1) with Intent to Drill:</li> <li>File Completion Form ACO-1 within 120 days of spud date;</li> <li>File acreage attribution plat according to field proration orders;</li> <li>Notify appropriate district office 48 hours prior to workover or re-entry;</li> <li>Submit plugging report (CP-4) after plugging is completed (within 60 days);</li> <li>Obtain written approval before disposing or injecting salt water.</li> </ul> | 16 24 |
| This authorization expires: 12/06/2008 (This authorization void if drilling not started within 12 months of approval date.)  Spud date: Agent:                        | 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 Date: Signature of Operator or Agent.                                                                                                                                                                                                                                                                                   |       |



# IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

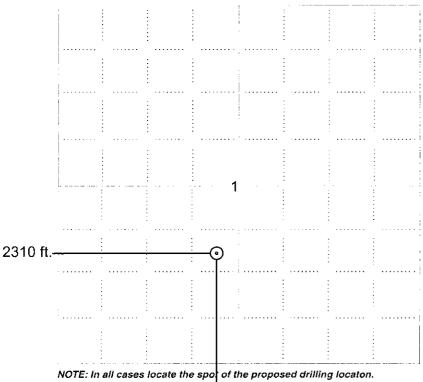
Plat of acreage attributable to a well in a prorated or spaced field

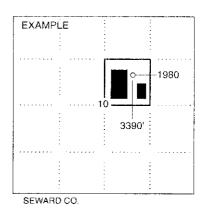
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 15-121-28544-00-00  Operator: Osborn Energy, L.L.C.            | Location of Well: County: Miami                                                                      |  |  |
|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--|--|
| Lease: Hopkins                                                              |                                                                                                      |  |  |
| Well Number: 19-1<br>Field: Paola-Rantoul                                   | 2 240                                                                                                |  |  |
| Number of Acres attributable to well:  QTR/QTR/QTR of acreage: SE . NE . SW | 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.)





## 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 south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- 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

1014721

Form CDP-1 April 2004 Form must be Typed

# APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: Osborn Energy, L.L.C.                                                                           |                                     | License Number: 32294                                                           |                                                                         |  |  |
|----------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------------|--|--|
| Operator Address: 24850 FARLEY                                                                                 |                                     | BUCYRUS KS 66013                                                                |                                                                         |  |  |
| Contact Person: Jeff Taylor                                                                                    |                                     | Phone Number: 913-533-9900                                                      |                                                                         |  |  |
| Lease Name & Well No.: Hopkins                                                                                 | Lease Name & Well No.: Hopkins 19-1 |                                                                                 | Pit Location (QQQQ):                                                    |  |  |
| Type of Pit:                                                                                                   | Pit is:                             |                                                                                 | SE _ NE _ SW_                                                           |  |  |
| Emergency Pit Burn Pit                                                                                         | Proposed Existing                   |                                                                                 | Sec. 1 Twp. 16 R. 24 East West                                          |  |  |
| Settling Pit Drilling Pit                                                                                      | If Existing, date constructed:      |                                                                                 | 1,650 Feet from North / South Line of Section                           |  |  |
| ☐ Workover Pit ☐ Haul-Off Pit                                                                                  | Pit capacity:                       |                                                                                 | 2,310 East / West Line of Section                                       |  |  |
| (If WP Supply API No. or Year Drilled)                                                                         | 550                                 | (bbls)                                                                          | Miami County                                                            |  |  |
| Is the pit located in a Sensitive Ground Water Area? Yes No                                                    |                                     | Chloride concentration: 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?  Native Clay lined |  |  |
| Pit dimensions (all but working pits): 8 Length (feet) 20 Width (feet) N/A: Steel N                            |                                     |                                                                                 | Width (feet) N/A: Steel Pits                                            |  |  |
| Depth fro                                                                                                      | om ground level to de               | eepest point:                                                                   | 4 (feet) No Pit                                                         |  |  |
| ,                                                                                                              |                                     | dures for periodic maintenance and determining noluding any special monitoring. |                                                                         |  |  |
|                                                                                                                |                                     |                                                                                 |                                                                         |  |  |
|                                                                                                                |                                     |                                                                                 |                                                                         |  |  |
|                                                                                                                |                                     |                                                                                 |                                                                         |  |  |
| Distance to nearest water well within one-mile of pit  Depth to shalk Source of info                           |                                     | Depth to shallo<br>Source of infor                                              | west fresh water18feet.<br>mation:                                      |  |  |
| 646 feet Depth of water well 260 feet                                                                          |                                     |                                                                                 | measured well owner electric log KDWR                                   |  |  |
| Emergency, Settling and Burn Pits ONLY: Drilling, N                                                            |                                     | Drilling, Work                                                                  | ng, Workover and Haul-Off Pits ONLY:                                    |  |  |
| Producing Formation:                                                                                           |                                     | Type of materia                                                                 | al utilized in drilling/workover: Bentonite                             |  |  |
|                                                                                                                |                                     |                                                                                 | king pits to be utilized:1                                              |  |  |
| Barrels of fluid produced daily: Abandonmen                                                                    |                                     | Abandonment                                                                     | procedure: Let water evaporate then use bulldoser to backfill pit       |  |  |
| Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No                     |                                     | Drill pits must be closed within 365 days of spud date.                         |                                                                         |  |  |
|                                                                                                                |                                     |                                                                                 |                                                                         |  |  |
| Submitted Electronically                                                                                       |                                     |                                                                                 |                                                                         |  |  |
|                                                                                                                |                                     |                                                                                 |                                                                         |  |  |
| KCC OFFICE USE ONLY Steel Pit RFAC RFAS                                                                        |                                     |                                                                                 |                                                                         |  |  |
| 40/05/2007 15 121 28544 00 00 40/06/2007                                                                       |                                     |                                                                                 |                                                                         |  |  |
| Date Received: 12/05/2007 Permit Number: 15-121-26344-00-00 Permit Date: 12/06/2007 Lease Inspection: Yes X No |                                     |                                                                                 |                                                                         |  |  |