NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Expected Spud Date: January 10, 2005

OPERATOR: Licensee: 32611
Name: Osage Resources, L.L.C.
Address: 1650 5th Avenue
City/State/Zip: Hutchinson, Kansas 67502
Contact Person: Ben Gough
Phone: 620-664-9652

CONTRACTOR: Licensee: 33436
Name: Forest Energy Limited Liability company

Well Dilled For: Oil Storage 
Well Class: Field Test Pit
Type Equipment: Mud Rotary

Oil Field Rec Meth: Yes
Gas Post Ext: No
Emr Rec Well: Yes
Storage Well With: No
 Drainage Without: Cabro
Saddle: of Horses Others: No

If OWWO: well identification as follows:
Operator: Woody Petroleum Corporation
Well Name: Mills-IV No. 1
Original Completion Date: 07-03-1998 Original Total Depth: 5455

Directional, Deviated or Horizontal well?: Yes No
If Yes, true vertical depth:
Bottom Hole Location:
KCC Dkt No:

Re: Spud Date: December 31, 2004

For KCC Use ONLY
API 15:
Conductor pipe variation (feet per 1000 feet)
Minimum outside diameter (Inches) feet per Ab: 7.5
NGC: 0.00

If applicable: Permit No: 007-22-549-00-01

This authorization valid if drilling not started within 6 months of effective date:
Spud date:
Agent:

For KCC Use Only
API 15:
Conductor Pipe Variation (feet per 1000 feet)
Minimum Outside Diameter (Inches) feet per Ab: 7.5
NGC: 0.00

If applicable: Permit No: 007-22-549-00-01

This authorization valid if drilling not started within 6 months of effective date:
Spud date:
Agent:

Mail to: KCC - Conservation Division, 130 S. Market, Room 2078, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLOT 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 Oper: Osage Resources, L.L.C.
Lease: Osage
Well Number: 100
Field: Atoka Gas Area
Number of Acres attributable to well: __________
QTR / QTR / QTR of acreage: SW , NW , NE

Location of Well: County: Barber
760 feet from S Line of Section
2100 feet from E Line of Section
Sec.: 30 Twp.: 33 R.: 14
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.)

NOTE: In all cases locate the spot of the proposed drilling location.
December 20, 2005

Mr. Ben Crouch
Osage Resources, LLC
1605 E. 50th Ave.
Hutchinson, KS 67502

RE: Drilling Pit Application
Osage Lease Well No. 100
NE/4 Sec. 30-33S-14W
Barber County, Kansas

Dear Mr. Crouch:

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 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.

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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant
File

KANSAS CORPORATION COMMISSION
KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. WOLC, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL E. MONTES, COMMISSIONER

CONSERVATION DIVISION, FINNEY STATE OFFICE BUILDING, 135 S. MARKET, ROOM 2078, WICHITA, KS 67202-3802
PHONE 316.337.6200  FAX 316.337.6201  WWW.KCC.STATE.KS.US