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For KCC Use: 1-23-2005
Effective Date: 4
District #: 4
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 February 25, 2005
month day year

Spot East
AR-5/2 NE - NE - SW Sec. 17 Twp. 14 S. R. 20 West

OPERATOR: License# 33335 (12-30-05)
Name: IA Operating, Inc.
Address: 900 N. Tyler Rd #15
City/State/Zip: Wichita KS 67212
Contact Person: Hal Porter
Phone: 316-721-0036

RECEIVED
JAN 14 2005

2130 feet from N / S Line of Section
2310 feet from E / W Line of Section
Is SECTION Regular Irregular?

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

CONTRACTOR: License# 30606
Name: Murfin Drilling Company, Inc. (12-30-05)

KCC WICHITA

County: Ellis
Lease Name: Rose Ann Well #: 17-1
Field Name: Wildcat, per seismic

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): LKC, Reagan sand, ARB

Well Drilled For: Oil Gas OWWO Seismic; # of Holes Other
 Enh Rec Storage Disposal
Well Class: Infield Pool Ext. Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable

Nearest Lease or unit boundary: 330
Ground Surface Elevation: 2150 approx 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: 180
Depth to bottom of usable water: 720

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

* Length of Surface Pipe Planned to be set: None 200
* Length of Conductor Pipe required: 200 NONE

Directional, Deviated or Horizontal wellbore? Yes No

Projected Total Depth: 4000
Formation at Total Depth: ARB

If Yes, true vertical depth: _____

Water Source for Drilling Operations:
 Well Farm Pond Other X

Bottom Hole Location: _____

DWR Permit #: _____
(Note: Apply for Permit with DWR)

KCC DKT #: _____

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: January 13, 2005 Signature of Operator or Agent: Hal Porter Title: President

For KCC Use ONLY
API # 15 - 051-25386-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. * (2)
Approved by: RSP 1-18-2005/RLW 1-19-05
This authorization expires: 7-18-2005
(This authorization void if drilling not started within 6 months of effective 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

17
14
2005