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KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

JUN 13 2006

Form C-1
December 2002

Form must be Typed
Form must be Signed
Blanks must be Filled

For KCC Use:
Effective Date: 6-19-06
District #: 4
SGA? Yes No

NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

KCC WICHITA

Expected Spud Date June 20, 2006
month day year

Spot East
NW - NE - NW Sec. 30 Twp. 14 S. R. 20 West
75 feet from N / S Line of Section
1380 feet from E / W Line of Section

Is SECTION Regular Irregular?

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

County: Ellis

Lease Name: Addie Unit Well #: 30-3

Field Name: unknown

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): LKC, Reagan

Nearest Lease or unit boundary: 330' (unit)

Ground Surface Elevation: 2196 (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

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 200 feet

Length of Conductor Pipe required: None

Projected Total Depth: 4000

Formation at Total Depth: Reagan or Arbuckle

Water Source for Drilling Operations:

Well Farm Pond Other X

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

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

CONTRACTOR: License# 30606
Name: Murfin Drilling Company, Inc.

Well Drilled For: Oil Gas OWWO Seismic; # of Holes Other
 Enh Rec Storage Disposal Other
Well Class: Infield Pool Ext. Wildcat 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 #: _____

Declaration of Pooling Attached

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: June 12, 2006 Signature of Operator or Agent: [Signature] Title: President

For KCC Use ONLY
API # 15 - 051-25544-0000
Conductor pipe required None feet
Minimum surface pipe required 200 feet per Alt. Y 2
Approved by: RW 6-14-06
This authorization expires: 12-14-06
(This authorization void if drilling not started within 6 months of approval 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

30
14
2006

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KCC WICHITA

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

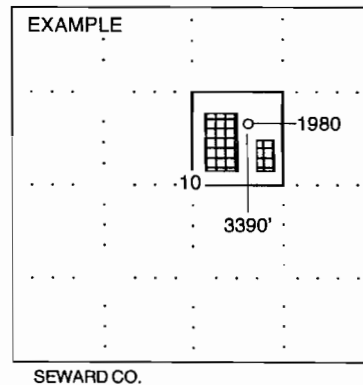
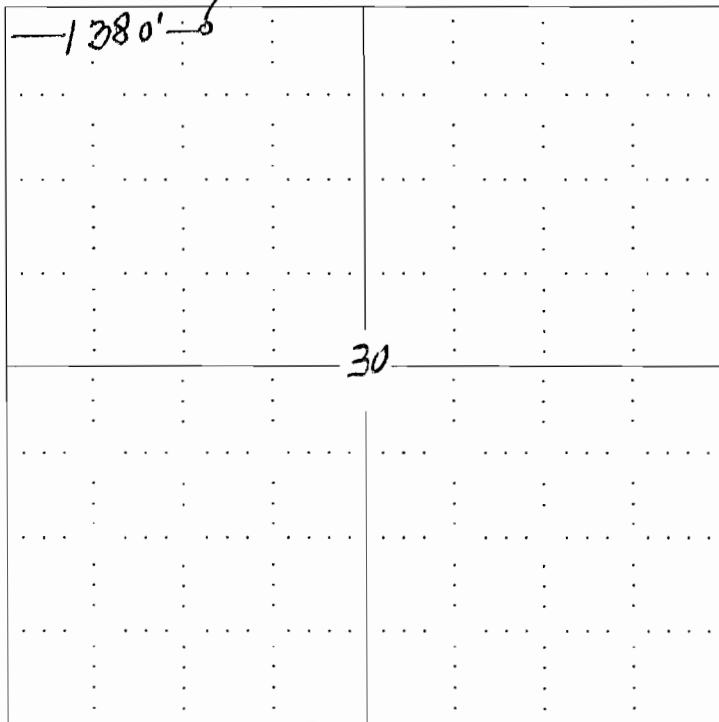
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 051-255440000
 Operator: IA Operating, Inc.
 Lease: Addie Unit
 Well Number: 30-3
 Field: unknown
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NW - NE - NW

Location of Well: County: Ellis
75 feet from N / S Line of Section
1380 feet from E / W Line of Section
 Sec. 30 Twp. 14 S. R. 20 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.)



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

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

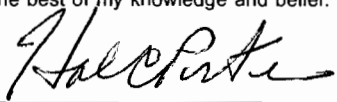
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit 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

RECEIVED
JUN 13 2006
KCC WICHITA

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

| | | | |
|---|--|---|--|
| Operator Name: IA Operating, Inc. | | License Number: 33335 | |
| Operator Address: 900 N Tyler Rd #900, Wichita KS 67212 | | | |
| Contact Person: Hal Porter | | Phone Number: (316) 721 - 0036 | |
| Lease Name & Well No.: Addie Unit 30-3 | | Pit Location (QQQQ): NW NE NW Sec. 30 Twp. 20¹⁴06 R. 14²⁰ <input type="checkbox"/> East <input checked="" type="checkbox"/> West 75 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1380 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Ellis County | |
| 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 (If WP Supply API No. or Year Drilled) | | Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 600 (bbls) | |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i> | |
| Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | Artificial Liner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| How is the pit lined if a plastic liner is not used? | | | |
| Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 4 (feet) | | | |
| If the pit is lined give a brief description of the liner material, thickness and installation procedure. | | Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. | |
| Distance to nearest water well within one-mile of pit 4212 feet Depth of water well 40 feet | | Depth to shallowest fresh water unknown 23 feet. Source of information: KHK 63 (1) _____ measured _____ well owner _____ electric log _____ KDWR | |
| Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No | | Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: bentonite Number of working pits to be utilized: 4 Abandonment procedure: allow to dry, backfil and level _____ 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. | | | |
| June 12, 2006 Date | |  Signature of Applicant or Agent | |
| KCC OFFICE USE ONLY | | | |
| Date Received: 6/13/06 Permit Number: _____ Permit Date: 6/13/06 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |

15-051-285544-0000

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