

RECEIVED

JUN 14 2006

Form C-1  
December 2002

For KCC Use: 6-20-06  
Effective Date: 4  
District # 4  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

KCC WICHITA

Form must be Typed  
Form must be Signed  
Forms must be Filled

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date July 8, 2006  
month day year 7/2 8/2

Spot 100 feet from S Line of Section  
2640 feet from W Line of Section  
Is SECTION  Regular  Irregular?

OPERATOR: License# 33335  
Name: IA Operating, Inc.  
Address: 900 N Tyler Rd #14  
City/State/Zip: Wichita KS 67212  
Contact Person: Hal Porter  
Phone: 316-721-0036

(Note: Locate well on the Section Plat on reverse side)  
County: Decatur  
Lease Name: Lila Unit Well #: 9-1  
Field Name: unknown

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

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

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

Nearest Lease or unit boundary: 330 feet (unit)  
Ground Surface Elevation: 2451 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: 200 130  
Depth to bottom of usable water: 4500 1250

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

Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 3000 200 Minimum  
Length of Conductor Pipe required: None  
Projected Total Depth: 3900  
Formation at Total Depth: Arbuckle

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  X  
DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No  
If Yes, proposed zone: \_\_\_\_\_

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 13, 2006 Signature of Operator or Agent: [Signature] Title: President

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: \_\_\_\_\_

For KCC Use ONLY

API # 15 - 039-20977-0000  
Conductor pipe required None feet  
Minimum surface pipe required 200 feet per Alt. X2  
Approved by: Ratt61500  
This authorization expires: 12-15-06  
(This authorization void if drilling not started within 6 months of approval date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

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

6  
4  
26W

RECEIVED  
JUN 14 2006  
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 - 039-20977-000  
Operator: IA Operating, Inc.  
Lease: Lila Unit  
Well Number: 9-1  
Field: unknown

Location of Well: County: Decatur  
100 feet from  N /  S Line of Section  
2640 feet from  E /  W Line of Section  
Sec. 9 Twp. 4s S. R. 26  East  West

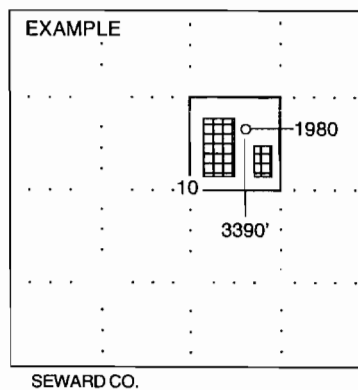
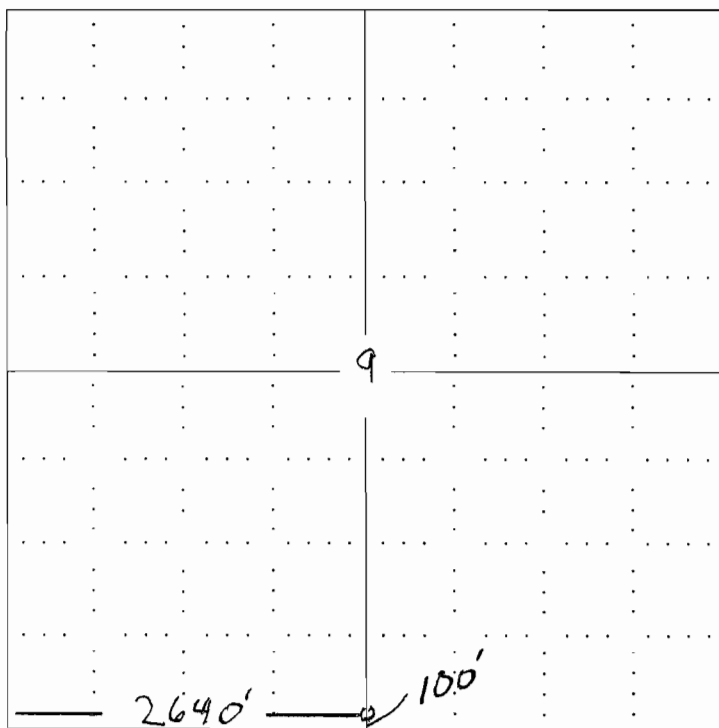
Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: 3/2-542 S/2 - S/2

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.

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).

RECEIVED

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

JUN 14 2006

Form CDP-1  
April 2004

APPLICATION FOR SURFACE PIT **KCC WICHITA**

Form must be Typed

Submit in Duplicate

Operator Name: <b>IA Operating, Inc</b>		License Number: <b>33335</b>
Operator Address: <b>900 N Tyler Rd #14, Wichita KS 67212</b>		
Contact Person: <b>Hal Porter</b>		Phone Number: ( <b>316</b> ) <b>721 - 0036</b>
Lease Name & Well No.: <b>Lila Unit 9-1</b>		Pit Location (QQQQ): <b>C - S/2 - S/2 -</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 <i>(If WP Supply API No. or Year Drilled)</i>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>600</b> (bbls)	Sec. <b>9</b> Twp. <b>4S</b> R. <b>26</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>100</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>2640</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Decatur</b> County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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): <b>100</b> Length (feet) <b>100</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>4</b> (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 <b>2321</b> feet    Depth of water well <b>81</b> feet		Depth to shallowest fresh water <b>unknown 45</b> feet. Source of information: <b>KM K&amp;S</b> (1) _____ measured    _____ well owner    _____ electric log    _____ KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Bentonite</b> Number of working pits to be utilized: <b>4</b> Abandonment procedure: <b>allow to dry, backfill and level</b> _____ 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.  <b>June 13, 2006</b> _____ Date    Signature of Applicant or Agent		

15-039-20977-0000

<b>KCC OFFICE USE ONLY</b>			
Date Received: <b>6/14/06</b>	Permit Number: _____	Permit Date: <b>6/14/06</b>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No