| For KCC Use: | 11-12-06 |
|-----------------|----------|
| Effective Date: | 11 1200 |
| District # | 7 |
| 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 November 15, 2006 | Spot NW - NW - SW Sec. 31 Twp. 11 S. R. 19 West | | | |
| 33335 🗸 | Sec. Twp. S. R. West 2580 Feet from N / S Line of Section | | | |
| OPERATOR: License# 33335 | 330 feet from E / W Line of Section | | | |
| Name: IA Operating, Inc. Address: 900 N Tyler Rd #14 | Is SECTION Regularirregular? | | | |
| Wichita KS 67212 | 13 SECTIONNegularnregular: | | | |
| City/State/Zip: Wichita KS 67212 | (Note: Locate well on the Section Plat on reverse side) | | | |
| Contact Person: Hal Porter Phone: 316-721-0036 | County: Ellis | | | |
| Phone: | Lease Name: Massier Unit Well #:31-1 | | | |
| CONTRACTOR: License# 30606 | Field Name: Wildcat | | | |
| Name: Murfin Drilling Company, Inc. | Is this a Prorated / Spaced Field? Target Formation(s): ARB | | | |
| Well Drilled For: Well Class: Type Equipment: | Nearest Lease or unit boundary: 330 feet | | | |
| Oil Enh Rec Infield Mud Rotary | Ground Surface Elevation: 2000 approx feet MSL | | | |
| Gas Storage Pool Ext. Air Rotary | Water well within one-quarter mile: | | | |
| OWWO Disposal Wildcat Cable | Public water supply well within one mile: | | | |
| Seismic;# of Holes Other | Depth to bottom of fresh water: | | | |
| Other | Depth to bottom of usable water: 680 | | | |
| | Surface Pipe by Alternate: 1 2 | | | |
| If OWWO: old well information as follows: | Length of Surface Pipe Planned to be set: | | | |
| Operator: | Length of Conductor Pipe required: None | | | |
| Well Name: | Projected Total Depth: 3800 Formation at Total Depth: ARB | | | |
| Original Completion Date:Original Total Depth: | | | | |
| Directional, Deviated or Horizontal wellbore? | Water Source for Drilling Operations: Well Farm Pond Other X | | | |
| If Yes, true vertical depth: | DWR Permit #: | | | |
| Bottom Hole Location: | (Note: Apply for Permit with DWR) | | | |
| KCC DKT #: | Will Cores be taken? | | | |
| Declaration of Pooling and Unitization Attached | If Yes, proposed zone: | | | |
| • | DAVIT | | | |
| The undersigned hereby affirms that the drilling, completion and eventual pl | | | | |
| It is agreed that the following minimum requirements will be met: | agging of the well will comply with 14.5.74, 55 ct. 564. | | | |
| · | | | | |
| Notify the appropriate district office <i>prior</i> to spudding of well; A copy of the approved notice of intent to drill <i>shall be</i> posted on eac The minimum amount of surface pipe as specified below <i>shall be se</i> | ch drilling rig; of 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 | | | | |
| | istrict office on plug length and placement is necessary prior to plugging; | | | |
| The appropriate district office will be notified before well is either plugIf an ALTERNATE II COMPLETION, production pipe shall be cement | ged or production casing is cemented in; ed 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 | | | |
| | pe 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 | my knowledge and belief. | | | |
| Date: October 13, 2006 Signature of Operator or Agent: | Title: President | | | |
| | Remember to: | | | |
| For KCC Use ONLY | File Drill Pit Application (form CDP-1) with Intent to Drill; | | | |
| API # 15 - 051-25589-0000 | - File Completion Form ACO-1 within 120 days of spud date; | | | |
| Conductor pipe required None feet | - File acreage attribution plat according to field proration orders; | | | |
| Minimum surface pipe required 200 feet per Alt. V2 | - Notify appropriate district office 48 hours prior to workover or re-entry; | | | |
| Approved by: Rut /1- 7-06 | Submit plugging report (CP-4) after plugging is completed; Obtain written approval before disposing or injecting salt water. | | | |
| This authorization expires: 5-7-07 | - If this permit has expired (See: authorized expiration date) please | | | |
| (This authorization void if drilling not started within 6 months of approval date.) | check the box below and return to the address below. | | | |
| Cand date | Well Not Drilled - Permit Expired | | | |
| Spud date: Agent: | Signature of Operator or Agent:RECEIVED | | | |

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

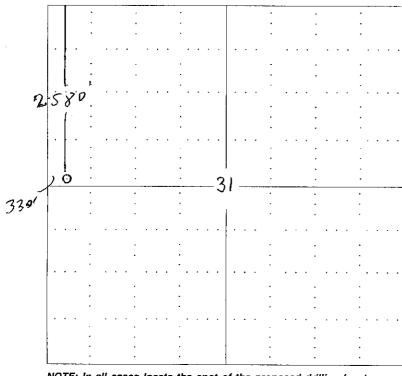
Plat of acreage attributable to a well in a prorated or spaced field

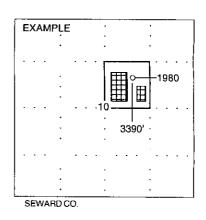
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 051-25589-0000 | Location of Well: County: Ellis |
|--|--|
| Operator: IA Operating, Inc. | • |
| Lease: Massier Unit | 2580 feet from N / S Line of Section 330 feet from E / W Line of Section |
| Well Number: 31-1 | Sec. 31 Twp. 11 S. R. 19 East West |
| Field: Wildcat | |
| Number of Acres attributable to well: | ls Section: 🕡 Regular or 🔲 Irregular |
| QTR / QTR / QTR of acreage: NW - NW - SW | 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: (C0-7 for oil wells; NOV 0 £ 3000).

Kansas Corporation Commission Oil & Gas Conservation Division

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: IA Operating, Inc. | | | License Number: 33335 | | |
|--|--|---|--|--|--|
| RD #14, Wid | chita KS 6 | 67212 | | | |
| Contact Person: Hal Porter | | | Phone Number: (316) 721 - 0036 | | |
| Lease Name & Well No.: Massier Unit 31-1 | | Pit Location (QQQQ): | | | |
| Pit is: | | <u>NW . NW . SW</u> | | | |
| ✓ Proposed Existing | | Sec. 31 Twp. 11S R. 19 East West | | | |
| If Existing, date constructed: | | 2580 Feet from North / South Line of Section | | | |
| | | 330 Feet from East / West Line of Section | | | |
| 1 ' ' | (bbls) | Ellis | | County | |
| <u> </u> | | Chloride conce | ntration: | | |
| Alea: [les [|] 140 | (For Emergency Pits and Settling Pits only) | | | |
| Artificial Liner? | | How is the pit lined if a plastic liner is not used? | | | |
| 00 Langth (f. | t\ 100 | \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\ | | N/A: Steel Pits | |
| | | | | N/A. Steel Fits | |
| om ground level to de | eepest point: <u></u> | (re | et) | | |
| e of pit | 1 ' | | fe | pet. | |
| | | Source of information: measuredwell owner electric logKDWR | | | |
| Emergency, Settling and Burn Pits ONLY: | | Drilling, Workover and Haul-Off Pits ONLY: | | | |
| | | pe of material utilized in drilling/workover: bentonite | | | |
| • | | Number of working pits to be utilized: 4 | | | |
| Barrels of fluid produced daily: | | Abandonment procedure: allow to dry, backfill and level | | | |
| 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. | | | |
| ements are true and | correct to the bes | t of my knowledg | e and belief. | | |
| | Hal | Galle of Applic | cant or Agent | | |
| | | agraciate of Applic | and or rigotti | | |
| KCC | | | | | |
| ROO | OFFICE USE O | NLY | | RECEIVED | |
| | Pit is: Proposed If Existing, date of the control | Pit is: Proposed Existing If Existing, date constructed: Pit capacity: 600 (bbls) Area? Yes No Artificial Liner? Yes No OO Length (feet) 100 rom ground level to deepest point: 4 Pliner Describe procediner integrity, in the shallor source of information integrity. It is presented that the shallor source of information in spilled fluids to in the shallor source of information in spilled fluids to in the shallor source of information in spilled fluids to in the shallor source of information in spilled fluids to in the shallor source of information in spilled fluids to in the shallor source of information in spilled fluids to in the shallor source of information in spilled fluids to in the shallor source of information in spilled fluids to in the shallor source of information in the shallor | Phone Number of Applice and a correct to the best of my knowledge signature of Applice and a signature | Phone Number: (316) 721 Pit Location (QQQQ): NW NW SW SW Sec. 31 Twp. 11S R 19 If Existing, date constructed: Pit capacity: 600 (bbls) Area? Yes No Chloride concentration: (For Emergency Pits and How is the pit lined if a plastic liner of working pits to be utilized: 4 Abandonment procedure: allow to dry, backfill at spilled fluids to | |