

For KCC Use:

Effective Date: 12-1-07
 District # 4
 SGA? ☐ Yes ☒ No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1

October 2007

Form must be Typed

Form must be Signed

All blanks must be Filled

Expected Spud Date: December 12, 2007
 month day year

OPERATOR: License# 33335
 Name: IA Operating, Inc.
 Address 1: 9915 W 21st Street N
 Address 2: _____
 City: Wichita State: KS Zip: 67205
 Contact Person: Hal Porter
 Phone: 316-721-0036

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

Well Drilled For: ☒ Oil ☐ Gas ☐ Enh Rec ☐ Storage ☐ Disposal ☐ Seismic; # of Holes _____
 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 #: _____

Spot Description: _____
 NW - NW - NE - Sec. 34 Twp. 2 S. R. 24 ☐ E ☒ W
 (Q/A/Q/A) 500 feet from ☒ N ☐ S Line of Section
2,220 feet from ☒ E ☐ W Line of Section

Is SECTION: ☒ Regular ☐ Irregular?

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

County: Norton
 Lease Name: Ella Mae Well #: 34-1
 Field Name: wildcat

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Lansing - Kansas City, Conglomerate, Reagan sand

Nearest Lease or unit boundary line (in footage): 500

Ground Surface Elevation: 2475 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: 1250

Surface Pipe by Alternate: ☐ I ☒ II

Length of Surface Pipe Planned to be set: 200 230' minimum

Length of Conductor Pipe (if any): None

Projected Total Depth: 3900

Formation at Total Depth: Granite

Water Source for Drilling Operations: ☐ Well ☐ Farm Pond ☒ Other: _____

DWR Permit #: _____

(Note: Apply for Permit with DWR ☒)

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 correct to the best of my knowledge and belief.

Date: November 21, 2007 Signature of Operator or Agent: Hal Porter Title: President

For KCC Use ONLY

API # 15 - 137-20472-0000

Conductor pipe required None feet

Minimum surface pipe required 230 feet per ALT. ☐ I ☒ II

Approved by: 11-26-07

This authorization expires: 11-26-08

(This authorization void if drilling not started within 12 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 (within 60 days);
- 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 Date: _____
 Signature of Operator or Agent: _____

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

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KANSAS CORPORATION COMMISSION

NOV 26 2007

CONSERVATION DIVISION
WICHITA, KS

34 2 24 ☐ E ☒ W

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 - 137-20472-0000
 Operator: IA Operating, Inc.
 Lease: Ella Mae
 Well Number: 34-1
 Field: wildcat

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: NW - NW - NE - _____

Location of Well: County: Norton
500 feet from ☒ N / ☐ S Line of Section
2,220 feet from ☒ E / ☐ W Line of Section
 Sec. 34 Twp. 2 S. R. 24 ☐ E ☒ W

Is Section: ☒ Regular or ☐ Irregular

If Section Is Irregular, locate well from nearest corner boundary.

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

PLAT

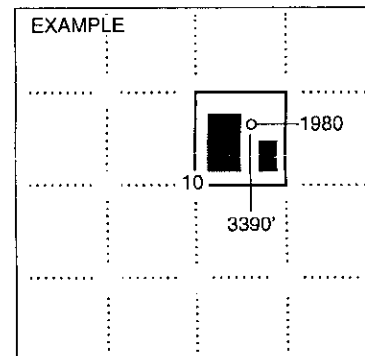
(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)

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NOV 26 2007

CONSERVATION DIVISION
WICHITA, KS



SEWARD CO.

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

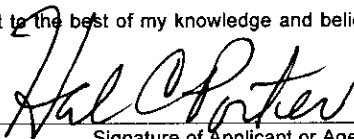
In plotting the proposed location of the well, you must show:

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: IA Operating, Inc.		License Number: 33335	
Operator Address: 9915 W 21st Street N		Wichita	KS 67205
Contact Person: Hal Porter		Phone Number: 316-721-0036	
Lease Name & Well No.: Ella Mae 34-1		Pit Location (QQQQ): NW - NW - NE - Sec. 34 Twp. 2 R. 24 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 500 Feet from <input checked="" type="checkbox"/> North <input type="checkbox"/> South Line of Section 2,220 Feet from <input checked="" type="checkbox"/> East <input type="checkbox"/> West Line of Section Norton 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 <small>(If WP Supply API No. or Year Drilled)</small>		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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>	
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) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (feet) <input type="checkbox"/> No Pit			
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 3060 feet Depth of water well 100 feet		Depth to shallowest fresh water 59 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> 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, backfill 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.		RECEIVED KANSAS CORPORATION COMMISSION NOV 26 2007 CONSERVATION DIVISION WICHITA, KS	
November 21, 2007 Date		 Signature of Applicant or Agent	

15-137-20472-0000

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>
Date Received: 11/26/07	Permit Number: _____	Permit Date: 11/26/07 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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