

For KCC Use:

Effective Date: 8-13-08

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: August 20, 2008
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: Murlin Drilling Company, Inc.

Well Drilled For: Well Class: Type Equipment:

- | | | | |
|---|-----------------------------------|---|--|
| <input checked="" type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input type="checkbox"/> Infield | <input checked="" type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input checked="" type="checkbox"/> Pool Ext. | <input type="checkbox"/> Air Rotary |
| <input type="checkbox"/> Seismic ; _____ # of Holes | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Other | | |

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 - SW - Sec. 17 Twp. 7 S. R. 25 E W

(2000) 2,210 feet from N / S Line of Section

340 feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

County: Graham

Lease Name: Cynthia Barnett Well #: 17-1

Field Name: Blaze NW

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Lansing Kansas City

Nearest Lease or unit boundary line (in footage): 340

Ground Surface Elevation: 2620 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: 270

Depth to bottom of usable water: 1200 1450

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 270 320' min

Length of Conductor Pipe (if any): None

Projected Total Depth: 4000

Formation at Total Depth: Conglomerate

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

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KANSAS CORPORATION COMMISSION

AUG 07 2008

CONSERVATION DIVISION
WICHITA, KS

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: August 6, 2008 Signature of Operator or Agent: Hal Porter Title: President

For KCC Use ONLY

API # 15 - 065-23463-0000

Conductor pipe required None feet

Minimum surface pipe required 320 feet per ALT. I II

Approved by: 8-8-08

This authorization expires: 8-8-09

(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: _____

17
7
25
 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 - 065-23463-0000
Operator: IA Operating, Inc.
Lease: Cyrilla Barnett
Well Number: 17-1
Field: Blazer NW

Location of Well: County: Graham
2,210 feet from N / S Line of Section
340 feet from E / W Line of Section
Sec. 17 Twp. 7 S. R. 25 E W

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

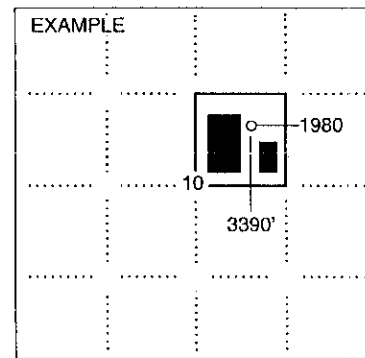
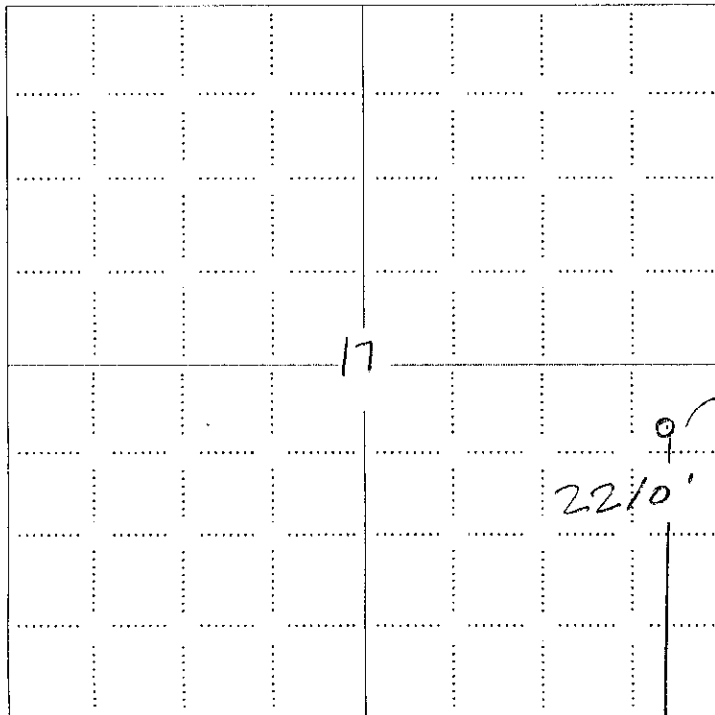
Is Section: Regular or Irregular

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.)*



SEWARD CO.

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WICHITA, KS

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

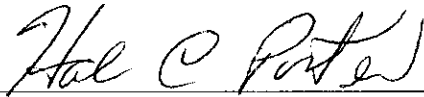
In plotting the proposed location of the well, you must show:

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.: Cyrilla Barnett 17-1		Pit Location (QQQQ): NW - NW - SW - Sec. 17 Twp. 7 R. 25 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2,210 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 340 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Graham 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	
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) _____ Depth from ground level to deepest point: _____ (feet)		<input type="checkbox"/> N/A: Steel Pits <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 _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ 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 and Drilling Mud 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	
August 6, 2008 Date		 Signature of Applicant or Agent	
AUG 07 2008		CONSERVATION DIVISION WICHITA, KS	
KCC OFFICE USE ONLY			
Date Received: 8/7/08		Permit Number: _____ Permit Date: 8/7/08	
Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

15-065-23463-0000