

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
October 2008
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 33335

Name: IA Operating, Inc.

Address 1: 9915 W. 21st Street, Ste B

Address 2: _____

City: Wichita State: KS Zip: 67205 + _____

Contact Person: Hal Porter

Phone: (316) 721-0036

CONTRACTOR: License # 30606

Name: Murfin Drilling Co., Inc.

Wellsite Geologist: Randall Kilian

Purchaser: Coffeyville Resources

Designate Type of Completion:

- New Well _____ Re-Entry _____ Workover _____
 - Oil _____ SWD _____ SIOW _____
 - _____ Gas _____ ENHR _____ SIGW _____
 - _____ CM (Coal Bed Methane) _____ Temp. Abd. _____
 - _____ Dry _____ Other _____
- (Core, WSW, Expl., Cathodic, etc.)

If Workover/Re-entry: Old Well Info as follows:

Operator: _____

Well Name: _____

Original Comp. Date: _____ Original Total Depth: _____

_____ Deepening _____ Re-perf. _____ Conv. to Enhr. _____ Conv. to SWD _____

_____ Plug Back: _____ Plug Back Total Depth _____

_____ Commingled _____ Docket No.: _____

_____ Dual Completion _____ Docket No.: _____

_____ Other (SWD or Enhr.?) _____ Docket No.: _____

9/11/08 09/17/08 1-01-09

Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 051-25746-0000

Spot Description: _____

NW_NW_SW_ _____ Sec. 25 Twp. 11 S. R. 16 East West

2310 Feet from North / South Line of Section

330 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE NW SE SW

County: Ellis

Lease Name: Peggy Well #: 25-5

Field Name: Blue Hill North

Producing Formation: LKC, Toronto & Topeka

Elevation: Ground: 1749' Kelly Bushing: 1754'

Total Depth: 3250' Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: 914 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: _____ Feet

If Alternate II completion, cement circulated from: _____

feet depth to: _____ w/ _____ sx cmt.

Drilling Fluid Management Plan Air I nwr 3-9-09
(Data must be collected from the Reserve Pit)

Chloride content: 84,000 ppm Fluid volume: 900 bbls

Dewatering method used: Evaporation/Backfill

Location of fluid disposal if hauled offsite: _____

Operator Name: _____

Lease Name: _____ License No.: _____

Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West

County: _____ Docket No.: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Robert D. Swann

Title: Vice President Date: 1-20-09

Subscribed and sworn to before me this 20 day of January

20 09

Notary Public: Julie Burrows

Date Commission Expires: March 10, 2009

KCC Office Use ONLY

Letter of Confidentiality Received

If Denied, Yes Date: 2/25/09

Wireline Log Received

Geologist Report Received

RECEIVED
KANSAS CORPORATION COMMISSION

JULIE BURROWS
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 3-10-09

JAN 22 2009

CONSERVATION DIVISION
WICHITA, KS

Operator Name: IA Operating, Inc. Lease Name: Peggy Well #: 25-5
 Sec. 25 Twp. 11 S. R. 16 East West County: Ellis

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Attach Additional Sheets) Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Submit Copy) List All E. Logs Run: Geologist's Well Report, Micro Log, Dual Induction Log, Compensated Density/Neutron Log	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Log</td> <td>Formation (Top), Depth and Datum</td> <td><input type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Anhydrite</td> <td>913'</td> <td>+841</td> </tr> <tr> <td>Topeka</td> <td>2673'</td> <td>-919</td> </tr> <tr> <td>Heebner Shale</td> <td>2918'</td> <td>-1164</td> </tr> <tr> <td>Toronto</td> <td>2938'</td> <td>-1184</td> </tr> <tr> <td>Lansing</td> <td>2967'</td> <td>-1213</td> </tr> <tr> <td>BKC</td> <td>3214'</td> <td>-1460</td> </tr> <tr> <td>Total Depth</td> <td>3251'</td> <td>-1497</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Anhydrite	913'	+841	Topeka	2673'	-919	Heebner Shale	2918'	-1164	Toronto	2938'	-1184	Lansing	2967'	-1213	BKC	3214'	-1460	Total Depth	3251'	-1497
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CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	23#	914'	Common	425	3% CC, 2% gel
Production	7 7/8"	5 1/2"	15.5#	3248'	Common	150	10% salt, 2% gel, 500 gal WFR-2

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
4	3182-86	250 gal 15% MCA, retreat w/500 gal 15% MCA	
4	3052-60, 3014-18, 2938-45	250 gal 15% MCA	
4	3052-60, 3014-18, 2994-3003, 2938-45	2000 gal 15% MCA	
4	2702-08	250 gal 15% MCA, retreat w/500 gal 15% MCA	

TUBING RECORD: Size: <u>2 7/8"</u> Set At: <u>3194</u> Packer At: _____		Liner Run: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Date of First Resumed Production, SWD or Enhr. <u>11/11/08</u> <u>11/01/09</u>		Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)	
Estimated Production Per 24 Hours	Oil Bbls. <u>54</u>	Gas Mcf <u>0</u>	Water Bbls. <u>28</u>
		Gas-Oil Ratio	Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease (If vented, Submit ACO-18.)	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: <div style="text-align: center;"> RECEIVED KANSAS CORPORATION COMMISSION </div>
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

JAN 22 2009

CONSERVATION DIVISION
WICHITA, KS

Per telegram w/ 8/20/09 on 2/24/09 KCC

IA Operating, Inc.
9915 W. 21st Street North, Ste B
Wichita KS 67205

Email: Hal.porter@imperialamericanoil.com

Phone: 316-721-0036 (office)
Hal's Cell: 316-841-1312

Fax: 316-721-0047
Toll Free: 866-892-0036 (rings at office)

January 20, 2009

Kansas Corporation Commission
Conservation Division
130 South Market #2078
Wichita, KS 67212

Re: Peggy 25-5
API: 15-051-25746-0000
Confidentiality Letter

Gentlemen:

We enclose ACO-1 on the subject well, along with attachments.

We hereby request that all data allowed by statute and regulations be kept confidential for the period allowed under the Rules and Regulations.

Very truly yours,

IA Operating, Inc.



Bob Swann
Vice President

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 22 2009

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., LLC. 34573

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT: RUSSELL

DATE <u>9-17-08</u>	SEC. <u>25</u>	TWP. <u>11</u>	RANGE <u>16</u>	CALLED OUT	ON LOCATION	JOB START <u>5:00pm</u>	JOB FINISH <u>5:30am</u>
LEASE <u>Peggy</u>		WELL # <u>25-5</u>		LOCATION <u>Fairport step sign 2N 2W 1S E into</u>		COUNTY <u>Ellis</u>	STATE <u>KS</u>
OLD OR NEW (Circle one)							

CONTRACTOR Martin #16
 TYPE OF JOB Production String
 HOLE SIZE _____ T.D. 3250
 CASING SIZE 5 1/2 15.5 DEPTH 3249
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT 19.32
 CEMENT LEFT IN CSG. 19.32
 PERFS. _____
 DISPLACEMENT 76.8 BC

EQUIPMENT
 PUMP TRUCK CEMENTER Craig
 # 417 HELPER Matt
 BULK TRUCK
 # 345 DRIVER Ricky
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:
Insert set @ 3229
#7 & #80 OUT
Mouse Hole 20SK
Rathole # 30SK Float
Plug landed 1500 psi held

CHARGE TO: J.A. Operating
 STREET _____
 CITY _____ STATE _____ ZIP _____

Thanks!

To Allied Cementing Co., LLC.
 You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME _____
 SIGNATURE M. Martin

OWNER _____
 CEMENT
 AMOUNT ORDERED 200 Com 10% Salt
500 Gal. WFR²
 COMMON 200 @ 13.50 2700.00
 POZMIX _____ @ _____
 GEL 4 @ 20.25 81.00
 CHLORIDE _____ @ _____
 ASC _____ @ _____
Salt 20 @ 21.25 425.00
WFR² 500 Gal @ 1.10 550.00
 HANDLING 224 @ 2.25 504.00
 MILEAGE SK/mi:10 448.00
 TOTAL 4708.00

SERVICE
 DEPTH OF JOB _____
 PUMP TRUCK CHARGE _____ 1957.00
 EXTRA FOOTAGE _____ @ _____
 MILEAGE 20 @ 7.50 150.00
 MANIFOLD _____ @ _____
 TOTAL 2107.00

PLUG & FLOAT EQUIPMENT
1-5 1/2 Guideshoe 186.00
1 AFU Insert @ _____ 285.00
6 Centralizers @ 55.00 330.00
27 Scratchers Rec. @ 71.00 1917.00
1-5 1/2 Rubber plug @ 71.00 71.00
 TOTAL 2789.00

SALES TAX (If Any) _____
 TOTAL CHARGES _____
 DISCOUNT _____ IF PAID IN 30 DAYS

RECEIVED
 KANSAS CORPORATION COMMISSION
 JAN 22 2009
 CONSERVATION DIVISION
 WICHITA, KS

ALLIED CEMENTING CO., LLC. 34566

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:

Russell

DATE <u>9-12-08</u>	SEC. <u>25</u>	TWP. <u>11</u>	RANGE <u>16</u>	CALLED OUT	ON LOCATION	JOB START <u>1:30pm.</u>	JOB FINISH <u>2:02pm.</u>
LEASE <u>Peggy</u>	WELL # <u>25-5</u>	LOCATION <u>Fairport Stop Sign 2 N</u>				COUNTY <u>Ellis</u>	STATE <u>K5</u>
OLD OR NEW (Circle one)		<u>2 W 1/2 S E into</u>					

CONTRACTOR Martin 16 OWNER _____
TYPE OF JOB Surface

HOLE SIZE _____	T.D. <u>915</u>	CEMENT _____
CASING SIZE <u>8 5/8 23#</u>	DEPTH <u>914</u>	AMOUNT ORDERED <u>425 com 3% cc</u>
TUBING SIZE _____	DEPTH _____	<u>2% gel</u>
DRILL PIPE _____	DEPTH _____	
TOOL _____	DEPTH _____	

PRES. MAX _____	MINIMUM _____	COMMON <u>425</u>	@ <u>13.50</u>	<u>5737.50</u>
MEAS. LINE _____	SHOE JOINT <u>10'</u>	POZMIX _____	@ _____	
CEMENT LEFT IN CSG. <u>10'</u>		GEL <u>8</u>	@ <u>20.25</u>	<u>162.00</u>
PERFS. _____		CHLORIDE <u>15</u>	@ <u>51.50</u>	<u>772.50</u>
DISPLACEMENT <u>57 1/2 BL</u>		ASC _____	@ _____	

EQUIPMENT

PUMP TRUCK # <u>417</u>	CEMENTER <u>Craig</u>			
	HELPER <u>Matt</u>			
BULK TRUCK # <u>473</u>	DRIVER <u>Neale</u>			
BULK TRUCK # _____	DRIVER _____			

REMARKS:

Ball set @ 90'
Cement Circulated!
Thanks!

CHARGE TO: J.A. Operating
STREET _____
CITY _____ STATE _____ ZIP _____

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME _____
SIGNATURE Aly [Signature]

HANDLING <u>448</u>	@ <u>2.25</u>	<u>1008.00</u>
MILEAGE <u>51 1/2 mi</u>	@ <u>1.10</u>	<u>566.50</u>
TOTAL		<u>8576.00</u>

SERVICE

DEPTH OF JOB _____		
PUMP TRUCK CHARGE _____		<u>991.00</u>
EXTRA FOOTAGE <u>614</u>	@ <u>.75</u>	<u>460.50</u>
MILEAGE <u>20</u>	@ <u>7.50</u>	<u>150.00</u>
MANIFOLD _____	@ _____	
TOTAL		<u>1601.50</u>

PLUG & FLOAT EQUIPMENT

<u>1 8 5/8 Solid Plug</u>		<u>110.00</u>
<u>1 Ball Plate</u>	@ _____	<u>148.00</u>
TOTAL		<u>258.00</u>

SALES TAX (If Any) _____
TOTAL CHARGES _____
DISCOUNT _____ IF PAID IN 30 DAYS

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 22 2009

CONSERVATION DIVISION
WICHITA, KS