

For KCC Use: 9-7-2009  
 Effective Date: 9-7-2009  
 District #: 4  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 October 2007  
 Form must be Typed  
 Form must be Signed  
 All blanks must be Filled

**NOTICE OF INTENT TO DRILL**

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

Expected Spud Date: 9 month 10 day 2009 year

OPERATOR: License# 33335  
 Name: IA Operating, Inc.  
 Address 1: 9915 West 21st Street North, Suite B  
 Address 2:  
 City: Wichita State: Ks Zip: 67205  
 Contact Person: Robert D. Swann  
 Phone: 316-721-0036

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

Well Drilled For:  Oil  Gas  Enh Rec  Storage  Disposal  Seismic; # of Holes  Other:  
 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: W2 SE Sec. 10 Twp. 6 S. R. 26  E  W  
650 feet from  N /  S Line of Section  
1,320 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?

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

County: Sheridan

Lease Name: Beverly Teel Well #: 10-1

Field Name:

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Lansing Kansas City

Nearest Lease or unit boundary line (in footage): 650'

Ground Surface Elevation: Approximately 2600 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: 280 220

Depth to bottom of usable water: 1400

Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: 320 Minimum

Length of Conductor Pipe (if any): None

Projected Total Depth: 4000

Formation at Total Depth: Marmaton

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**

KANSAS CORPORATION COMMISSION

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: September 1, 2009 Signature of Operator or Agent: Robert D. Swann Title: Vice President

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**For KCC Use ONLY**  
 API # 15 - 179-21240-00-00  
 Conductor pipe required None feet  
 Minimum surface pipe required 270 feet per ALT.  I  II  
 Approved by: fw 9-2-2009  
 This authorization expires: 9-2-2010  
 (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:

10  
6  
26  
 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 - 179-21240-00-00

Operator: IA Operating, Inc.

Lease: Beverly Teel

Well Number: 10-1

Field: None

Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: SE - SE - SE  
5/2

Location of Well: County: Sheridan

650 feet from  N /  S Line of Section

1,320 feet from  E /  W Line of Section

Sec. 21 Twp. 6 S. R. 26  E  W

Is Section:  Regular or  Irregular

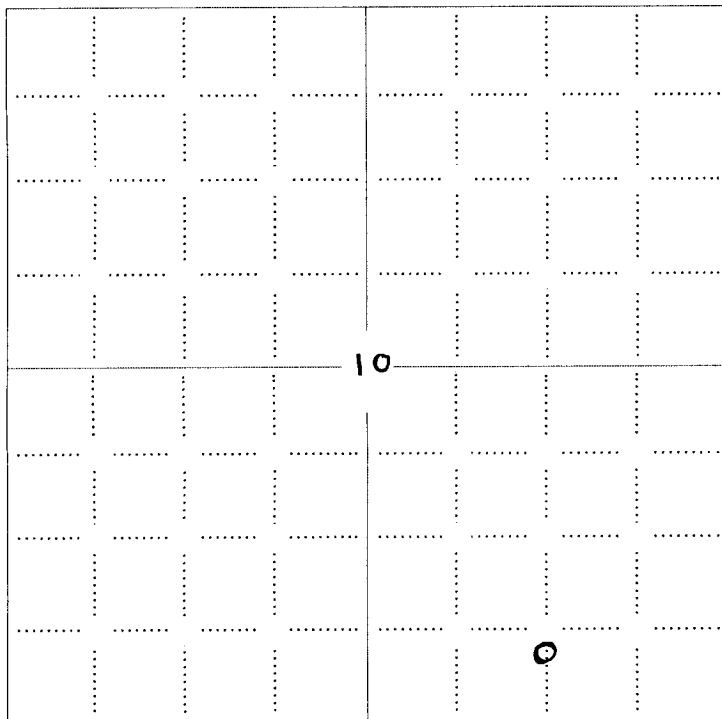
**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

**PLAT**

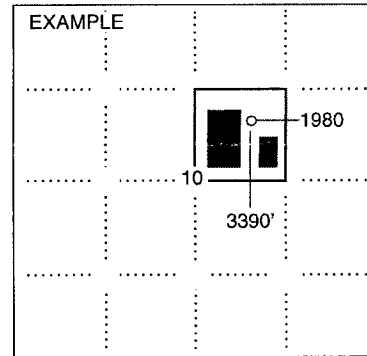
*(Show location of the well and shade attributable acreage for prorated or spaced wells.)*

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



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**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).

