

For KCC Use: 7-5-2010  
Effective Date: 4  
District # \_\_\_\_\_  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form C-1  
March 2010

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  
Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form. 7-1-2010

Expected Spud Date: September 15 2010  
month day year

Spot Description:  
NW NE SE Sec. 12 Twp. 14 S. R. 20  E  W  
(a/a/a/a) 2,170 feet from  N /  S Line of Section  
1,000 feet from  E /  W Line of Section

OPERATOR: License# 33335  
Name: IA Operating, Inc.  
Address 1: 9915 West 21st North  
Address 2: Suite 'B'  
City: Wichita State: KS Zip: 67205 +  
Contact Person: Robert D. Swann  
Phone: 316-721-0036 or cell phone 680-425-4749

Is SECTION:  Regular  Irregular?  
(Note: Locate well on the Section Plat on reverse side)  
County: Ellis  
Lease Name: A & E Zimmerman Well #: 12-1

CONTRACTOR: License# 39906 30606  
Name: Murfin Drilling Company, Inc.

Field Name: N/A Pleasant Southeast  
Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Lansing/KC & Arbuckle

Well Drilled For:  Oil  Gas  Seismic; # of Holes \_\_\_\_\_  
 Enh Rec  Storage  Disposal  
 Other: \_\_\_\_\_  
Well Class:  Infield  Pool Ext.  Wildcat  Other \_\_\_\_\_  
Type Equipment:  Mud Rotary  Air Rotary  Cable

Nearest Lease or unit boundary line (in footage): 470 feet  
Ground Surface Elevation: Approximately 2,200 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 feet  
Depth to bottom of usable water: Est. 750 feet  
Surface Pipe by Alternate:  I  II  
Length of Surface Pipe Planned to be set: 200  
Length of Conductor Pipe (if any): \_\_\_\_\_  
Projected Total Depth: 4,000 feet  
Formation at Total Depth: Granite

If OWWO: old well information as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Water Source for Drilling Operations:  Well  Farm Pond  Other: \_\_\_\_\_  
DWR Permit #: \_\_\_\_\_  
(Note: Apply for Permit with DWR )

Directional, Deviated or Horizontal wellbore?  Yes  No  
If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_  
KCC DKT # \_\_\_\_\_

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:

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WICHITA, KS

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 to the best of my knowledge and belief.

Date: June 23, 2010 Signature of Operator or Agent: Robert D. Swann Title: Vice President

For KCC Use ONLY  
API # 15 - 051-26007-0000  
Conductor pipe required None feet  
Minimum surface pipe required 200 feet per ALT.  I  II  
Approved by: June 6-30-2010  
This authorization expires: 6-30-2011  
(This authorization void if drilling not started within 12 months of approval date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- 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 well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: \_\_\_\_\_  
Signature of Operator or Agent: \_\_\_\_\_

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

12  
14  
20  
 E  
 W

For KCC Use ONLY  
 API # 15 - 051-26007-00-00

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: IA Operating, Inc.  
 Lease: A & E Zimmerman  
 Well Number: 12-1  
 Field: N/A

Location of Well: County: Ellis  
2,170 feet from  N /  S Line of Section  
1,000 feet from  E /  W Line of Section  
 Sec. 12 Twp. 14 S. R. 20  E  W

Number of Acres attributable to well: \_\_\_\_\_  
 QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - NW - NE - SE

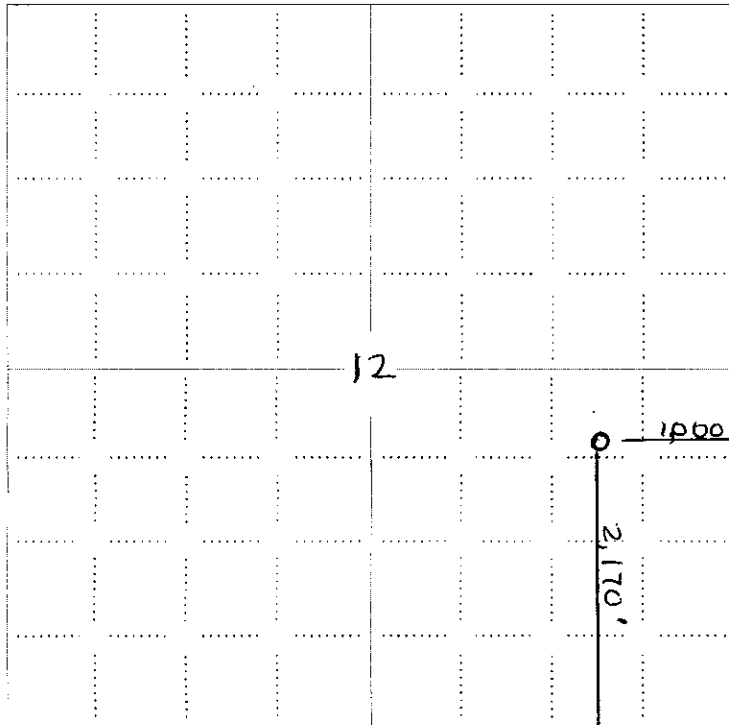
Is Section:  Regular or  Irregular

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

Section corner used:  NE  NW  SE  SW

**PLAT**

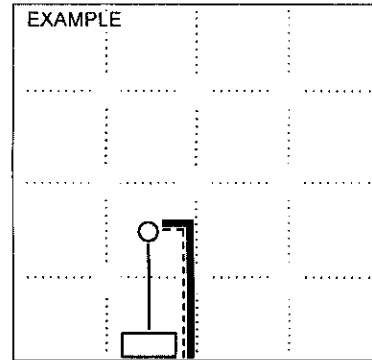
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



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**LEGEND**

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



SEWARD CO. 3390' FEL

1980' FSL

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

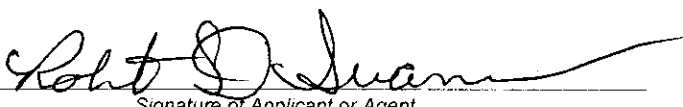
**In plotting the proposed location of the well, you must show:**

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: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

Form CDP-1  
May 2010  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>IA Operating, Inc.</b>		License Number: <b>33335</b>
Operator Address: <b>9915 West 21st North</b>		<b>Suite 'B' Wichita KS 67205</b>
Contact Person: <b>Robert D. Swann</b>		Phone Number: <b>316-721-0036 or cell phone 660-425-4749</b>
Lease Name & Well No.: <b>A &amp; E Zimmerman 12-1</b>		Pit Location (QQQQ): <b>    NW    NE    SE</b> Sec. <b>12</b> Twp. <b>14</b> R. <b>20</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>2,170</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>1,000</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Ellis</b> 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: <b>600</b> (bbbls)	
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): <b>100</b> Length (feet) <b>125</b> Width (feet) Depth from ground level to deepest point: <b>4</b> (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. <b>Lined with 10 mil. Plastic</b>	Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>Inspected Daily</b>	
Distance to nearest water well within one-mile of pit: <b>1297</b> feet    Depth of water well <b>470</b> feet	Depth to shallowest fresh water <b>180</b> <del>250</del> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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	<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: <b>4</b> Abandonment procedure: <b>Allow to Dry &amp; Backfill &amp; Level</b> 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.		
June 23, 2010 Date	 Signature of Applicant or Agent	

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**15-051-24007-00-00**

<b>KCC OFFICE USE ONLY</b>		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS
Date Received: <b>6-25-10</b> Permit Number: _____	Permit Date: <b>6-30-10</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

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

June 30, 2010

IA Operating, Inc.  
9915 West 21<sup>st</sup> North Ste B  
Wichita, KS 67205

RE: Drilling Pit Application  
A & E Zimmerman Lease Well No. 12-1  
SE/4 Sec. 12-14S-20W  
Ellis County, Kansas

Dear Sir or Madam:

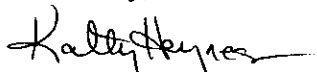
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased. **Keep pits away from draw, creek, stream or waterway.**

**If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site:  
[www.kcc.state.ks.us/conservation/forms](http://www.kcc.state.ks.us/conservation/forms).

**A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.** If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

A handwritten signature in black ink that reads "Kathy Haynes". The signature is written in a cursive style with a long horizontal stroke at the end.

Kathy Haynes  
Environmental Protection and Remediation Department

cc: district