

For KCC Use: 4-2-2011
Effective Date: 4
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 KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Form C-1
March 2010
Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date: March 29 2011
month day 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: Cell - 660-425-4749

CONTRACTOR: License# 34233
Name: Maverick Drilling, LLC

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: _____
NW - SW - NW Sec. 5 Twp. 13 S. R. 16 ☐ E ☒ W
1,700 feet from ☒ N / ☐ S Line of Section
430 feet from ☐ E / ☒ W Line of Section

Is SECTION: ☒ Regular ☐ Irregular?

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

County: Ellis
Lease Name: Emery Schmidt Revocable Trust Well #: 5-1
Field Name: Emmoran-Townsite Windholz

Is this a Prorated / Spaced Field? ☐ Yes ☒ No
Target Formation(s): Lansing/Kansas City - Arbuckle

Nearest Lease or unit boundary line (in footage): 380 feet
Ground Surface Elevation: 1,993 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: 580

Surface Pipe by Alternate: ☒ I ☐ II
Length of Surface Pipe Planned to be set: 1,165

Length of Conductor Pipe (if any): None
Projected Total Depth: 3,650 feet

Formation at Total Depth: Arbuckle
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 to the best of my knowledge and belief.

Date: March 23, 2011 Signature of Operator or Agent: Robert D. Swann Title: Vice President

For KCC Use ONLY
API # 15 - 051-26126-0000
Conductor pipe required None feet
Minimum surface pipe required 600 feet per ALT. ☒ I ☐ II
Approved by: kmw 3-28-2011
This authorization expires: 3-28-2012
(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

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5
13
16
☐ E ☒ W

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API # 15 - 051-26126-0000

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: Emery Schimdt
 Well Number: 5-1
 Field: Emmeran Townsite

Number of Acres attributable to well: 10
 QTR/QTR/QTR/QTR of acreage: - NW - SW - NW

Location of Well: County: Ellis
 1,700 feet from ☒ N / ☐ S Line of Section
 430 feet from ☐ E / ☒ W Line of Section
 Sec. 5 Twp. 13 S. R. 16 ☐ E ☒ W

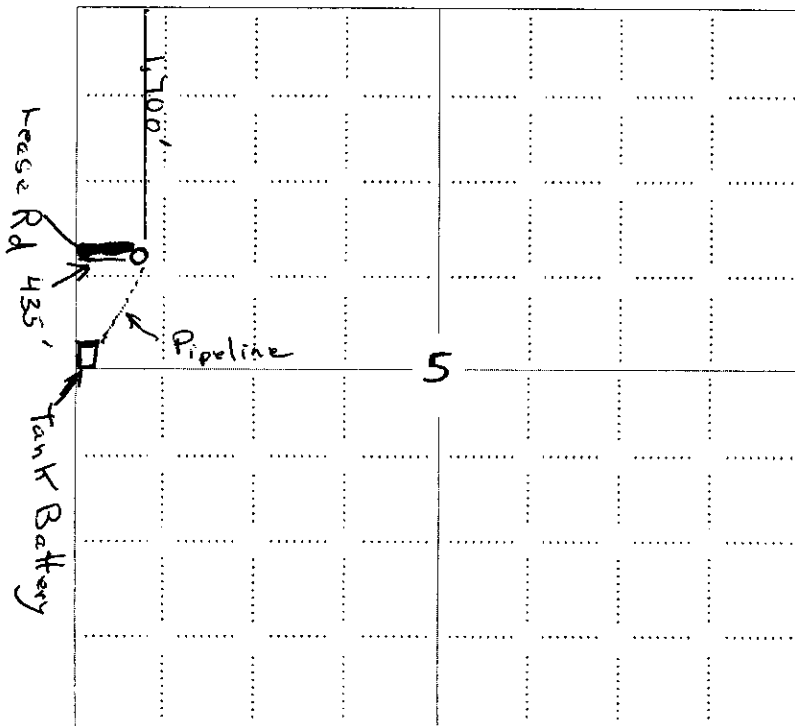
Is Section: ☒ Regular or ☐ Irregular

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

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

PLAT

Show location of the well. 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.



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

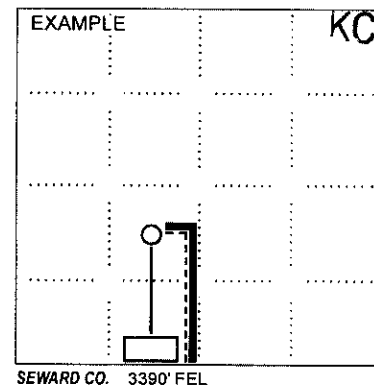
LEGEND

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

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

- 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.
- The distance of the proposed drilling location from the south / north and east / west outside section lines.
- The distance to the nearest lease or unit boundary line (in footage).
- 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).
- The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

15-051-26126-0000
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: ☒ C-1 (Intent) ☐ CB-1 (Cathodic Protection Borehole Intent) ☐ T-1 (Transfer) ☐ CP-1 (Plugging Application)

OPERATOR: License # 33335
Name: IA Operating, Inc.
Address 1: 9915 West 21st North, Suite 'B'
Address 2: _____
City: Wichita State: Ks Zip: 67205 + _____
Contact Person: Robert D. Swann
Phone: (660) 425-4749 Fax: (316) 721-0047
Email Address: bobswann@imperialamericoil.com

Well Location:
NW SW NW Sec. 5 Twp. 13 S. R. 16 ☐ East ☒ West
County: Ellis
Lease Name: Emery Schimdt Revocable Trust Well #: 5-1

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: Emery Schimdt
Address 1: Rural Route
Address 2: Phone 785-625-5370
City: Catharine State: Kansas Zip: 67601 + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

☒ I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.

☐ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

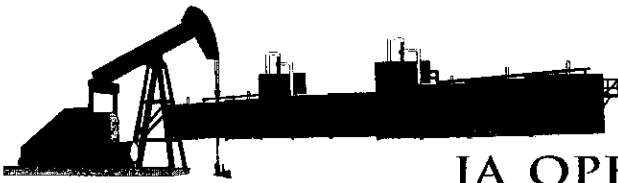
I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: March 23, 2011 Signature of Operator or Agent: Robert D. Swann Title: Vice President

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15-051-26126-0000

IA OPERATING, INC.

9915 West 21st Street, Suite B • Wichita, Kansas 67205

(316) 721-0036 • (866) 892-0036 • Fax (316) 721-0047

March 23, 2011

Mr. Emery Schmidt
Emery Schmidt Revocable Trust
Route
Catharine, Kansas 67601

RE: Emery Schmidt Revocable Trust #5-1 Well
1,700' FNL & 430' FWL
Section 5-13S-16W,
Ellis County, Kansas

Dear Mr. Schmidt,

Enclosed please find a copies of the KCC – Form C-1 Intent to Drill, with the Well Location Plat, KCC – Form CDP-1 Application for Surface Pit, and the KSONA – 1 Certification of Compliance with the Kansas Surface Owner Notification Act.

I understand that you have talked with Mike Stanton concerning the drilling of the above referenced well. We anticipate that Maverick Rig #108 will move on location approximately March 29, 2011.

If you have any questions, please feel free to contact me at the above number or my cell phone 660-425-4749. Thank you.

Sincerely,

Robert D. Swann
Vice President

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Cc: File & Correspondence

**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: IA Operating, Inc.		License Number: 33335
Operator Address: 9915 West 21st Street North, Suite 'B'		Wichita KS 67205
Contact Person: Robert D. Swann		Phone Number: Cell - 660-425-4749
Lease Name & Well No.: Emery Schmidt Revocable Trust 5-1		Pit Location (QQQQ): <div style="text-align: center;"> <u> </u> - <u> </u> NW <u> </u> - <u> </u> SW <u> </u> - <u> </u> NW <u> </u> </div>
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)	Sec. <u> 5 </u> Twp. <u> 13 </u> R. <u> 16 </u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u> 1,700 </u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u> 430 </u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Ellis _____ County
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): <u> 100 </u> Length (feet) <u> 120 </u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u> 4 </u> (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. Lined with 10 mil. Plastic		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Inspected Daily
Distance to nearest water well within one-mile of pit: <u> 2604 </u> feet Depth of water well <u> 342 </u> feet		Depth to shallowest fresh water <u> 180 </u> <u> 240 </u> 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: _____ Number of working pits to be utilized: _____ Abandonment procedure: Allow to Dry & Backfill & 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. <div style="display: flex; justify-content: space-between;"> <div> <u> March 23, 2011 </u> Date </div> <div style="text-align: center;">  Signature of Applicant or Agent </div> </div>		

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15-051-26126-00-00

KCC OFFICE USE ONLY		<i>away Creek</i>
Date Received: <u> 3-23-11 </u>	Permit Number: _____	<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS
Permit Date: <u> 3-24-11 </u>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



phone: 316-337-6200
fax: 316-337-6211
<http://kcc.ks.gov/>

Thomas E. Wright, Chairman
Ward Loyd, Commissioner

Corporation Commission

Sam Brownback, Governor

March 28, 2011

IA Operating, Inc.
9915 West 21st St North Ste B
Wichita, KS 67205

RE: Drilling Pit Application
Emery Schmidt Revocable Trust Lease Well No. 5-1
NW/4 Sec. 05-13S-16W
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 creek.**

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.

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 cursive script, appearing to read "Kathy Haynes".

Kathy Haynes
Environmental Protection and Remediation Department

cc: district