

4

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-4
Form must be typed
September 2005

APPLICATION FOR COMMINGLING OF
PRODUCTION (K.A.R. 82-3-123) OR FLUIDS (K.A.R. 82-3-123a)

Commingling ID # C0060605

Operator Information:

License #: 33335
Name: IA Operating, Inc.
Address: 900 N Tyler Road #14
City/State/Zip: Wichita, KS 67212
Contact Person: Hal Porter
Phone #: 316-721-0036

Well Information:

API #: 15 - 147-20606-00-00
Lease Name: Debra Unit Well #: 12-1
Spot: SW - SE - SW - SE Sec. 12 Twp. 5 S. R. 20 East
County: Phillips West
Feet from North / South Line of Section: 200
Feet from East / West Line of Section: 1850

1. Name and upper and lower limit of each production interval to be commingled:

Formation: LKC J (Perfs): 3538-42'
Formation: LKC G (Perfs): 3464-66'
Formation: LKC F (Perfs): 3452-55'
Formation: LKC C (Perfs): 3408-13'
Formation: _____ (Perfs): _____

2. Estimated amount of fluid production to be commingled from each interval:

Formation: LKC J BOPD: 1.25 MCFPD: 0 BWPD: 4
Formation: LKC G BOPD: 1.25 MCFPD: 0 BWPD: 4
Formation: LKC F BOPD: 1.25 MCFPD: 0 BWPD: 4
Formation: LKC C BOPD: 1.25 MCFPD: 0 BWPD: 4
Formation: _____ BOPD: _____ MCFPD: _____ BWPD: _____

3. Plat map showing the location of the subject well, all other wells on the subject lease, and all wells on offsetting leases within a 1/2 mile radius of the subject well, and for each well the names and addresses of the lessee of record or operator.

4. Signed certificate showing service of the application as required in K.A.R. 82-3-135a(b).

For Commingling of PRODUCTION ONLY, include the following:

- 5. Wireline log of subject well.
- 6. Complete Form ACO-1 (Well Completion form) for the subject well. *on file (cont'd)*

For Commingling of FLUIDS ONLY, include the following:

- _____ 5. Well construction diagram of subject well.
- _____ 6. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

State of Kansas)
)
County of Sedgwick)

ss:

RECEIVED
JUN 23 2006
KCC WICHITA

VERIFICATION: I hereby certify that to the best of my current information, knowledge and personal belief, this request for commingling is true and proper and I have no information or knowledge, which is inconsistent with the information supplied in this application.

Signature: Julie Burrows
Printed Name: Julie Burrows
Title: Assistant
Subscribed & sworn to before me this 21 day of June, 2006
Notary Public: Cindy A Vandenberg
My Commission Expires 10/28/09

KCC Office Use Only
 Denied Approved
KCC Date Received: 6/23/06 15-Day Periods Ends: 5/10/06
Approved By: Russ 10/27/06 Date: _____

Mail with all required attachments and files to: KCC - Conservation Division, 130 S. Market



#16

IA Operating, Inc
900 N Tyler Road #14
Wichita, KS 67212
316-721-0036

DOCKET NO. Pending DATE June 21, 2006
OPERATOR NAME IA Operating LEASE NAME Debra Unit 12-1
LEGAL LOCATION SW SE SW SE Sec 12-5S-20W

Please list below the names and addresses of all offsetting operators or lessees of record who have been sent copies of the above-referenced application for commingling (ACO-4) or dual completion (ACO-5)

There are no offset operators

I hereby certify that on this 21 day of June, 2006 I caused a true and correct copy of the attached application to be deposited in the United States Mail, postage prepaid, addressed to the above persons.

[Signature]
Operator or Agent

Affidavit

I, Julie Burrows of lawful age does swear that the facts and statements herein contained are true and correct to the best of my knowledge.

Suscribed and sworn before me this 21 day of June, 2006

My commission expires:
March 10, 2009

RECEIVED
JUN 23 2006
KCC WICHITA

LEGAL PUBLICATION

Published in the Phillips County Review
On August 24, 2006

**BEFORE THE STATE CORPORATION
COMMISSION OF THE STATE OF KANSAS
NOTICE OF FILING APPLICATION**

RE: IA OPERATING, INC.

Application for order to commingle production from the LKC C, F, G and J formation at the Debra Unit 12-1, located in the Southeast Quarter (SE/4) Section 12, Township 5 South, Range 20 West, Phillips County, Kansas.

To: All oil and gas producers, unleased mineral interest owners, landowners and all persons whomsoever concerned. You and each of you, are hereby notified that IA Operating, Inc. has filed an application to commingle production from the LKC C, F, G and J formation at the Debra Unit 12-1, located in the SE/4 Section 12, Township 5 South, Range 20 West, Phillips County, Kansas.

Any persons who object to or protest this application shall be required to file their objections or protests with the Conservation Division of the State Corporation Commission of the State of Kansas within fifteen (15) days from the date of this publication. These protests shall be filed pursuant to Commission regulations and must state specific reasons why the granting of the application may cause waste, violate correlative rights or pollute the natural resources of the State of Kansas. If no protests are received, this application may be granted through a summary proceeding. If valid protests are received, this matter will be set for hearing.

All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.

**IA OPERATING, INC.
900 N. TYLER ROAD #14
WICHITA, KANSAS 67212
(316) 721-0036**

**RECEIVED
SEP 01 2006
KCC WICHITA**

AFFIDAVIT

STATE OF KANSAS \
- SS.
County of Sedgwick /

Milt Mounts, of lawful age, being first duly sworn, deposeth and saith: That he is Record Clerk of The Wichita Eagle, a daily newspaper published in the City of Wichita, County of Sedgwick, State of Kansas, and having a general paid circulation on a daily basis in said County, which said newspaper has been continuously and uninterruptedly published in said County for more than one year prior to the first publication of the notice hereinafter mentioned, and which said newspaper has been entered as second class mail matter at the United States Post Office in Wichita, Kansas, and which said newspaper is not a trade, religious or fraternal publication and that a notice of a true copy is hereto attached was published in the regular and entire Morning issue of said The Wichita Eagle for 1 consecutive issue - weeks, that the first publication of said notice was

made as aforesaid on the 26th day of

August A.D. 2006, with

subsequent publications being made on the following dates:

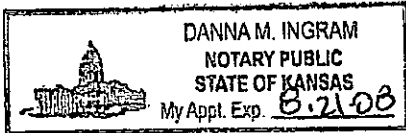
And affiant further says that _____ he has personal knowledge of the statements above set forth and that they are true.

[Handwritten Signature]

Subscribed and sworn to before me this

26th day of August, 2006

[Handwritten Signature: Danna M. Ingram]
Notary Public Sedgwick County, Kansas



Printer's Fee \$86.00

LEGAL PUBLICATION

Published in the Wichita Eagle on August 26, 2006 (2546813) BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS NOTICE OF FILING APPLICATION RE: IA OPERATING, INC. Application for order to commingle production from the LKC C, F, G and J formation at the Debra Unit 12-1, located in the Southeast Quarter (SE/4) Section 12, Township 5 South, Range 20 West, Phillips County, Kansas. To: All oil and gas producers, unleased mineral interest owners, landowners and all persons whomsoever concerned. You and each of you, are hereby notified that IA Operating, Inc. has filed an application to commingle production from the LKC C, F, G and J formation at the Debra Unit 12-1, located in the SE/4 Section 12, Township 5 South, Range 20 West, Phillips County, Kansas. Any persons who object to or protest this application shall be required to file their objections or protests with the Conservation Division of the State Corporation Commission of Kansas within fifteen (15) days from the date of this publication. These protests shall be filed pursuant to Commission regulations and must state specific reasons why the granting of the application may cause waste, violate correlative rights or pollute the natural resources of the State of Kansas. If no protests are received, this application may be granted through a summary proceeding. If valid protests are received, this matter will be set for hearing. All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly. IA OPERATING, INC. 900 N. TYLER ROAD #14 WICHITA, KANSAS 67212 (316) 721-0036

RECEIVED
SEP 01 2006
KCC WICHITA

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

October 27, 2006

Hal Porter
IA Operating, Inc.
900 N Tyler Road #14
Wichita, KS 67212

**RE: Approved Commingling CO060605
Debra Unit #12-1, Sec. 12-T5S-R20W, Phillips County, Kansas
API No. 15-147-20606-0000**

Dear Mr. Porter:

Your "Application for Commingling" (ACO-4) for the above described well has been technically reviewed and approved by the Kansas Corporation Commission (KCC) per **K.A.R. 82-3-123a**. Notice was examined and found to be proper per **K.A.R. 82-3-135a**. No protest had been filed within the 15-day protest period. This application, which was received by the KCC on **June 23, 2006** concerns approval to simultaneously produce from the following four sources of supply through the same tubing string in the same wellbore: the **LKC J, LKC G, LKC F, and the LKC C** formations.

According to your application, the estimated current production from the **LKC J** source of supply is **1.25 BOPD, 0 Mcfpd and 4 BWPD**. The estimated current production from the **LKC G** source of supply is **1.25 BOPD, 0 Mcfpd and 4 BWPD**. The estimated current production from the **LKC F** source of supply is **1.25 BOPD, 0 Mcfpd and 4 BWPD**. The estimated current production from the **LKC C** source of supply is **1.25 BOPD, 0 Mcfpd and 4 BWPD**. The total estimated current production from all sources of supply in the subject well is **5 BOPD, 0 Mcfpd and 16 BWPD**.

Based upon the depth of the **LKC J** formation perforations, total oil production shall not exceed **100BOPD** and total gas production shall not exceed **50%** of the absolute open flow (AOF).

Docket Number **CO060605** has been assigned to this approved application. Please use this number for well completion reports (ACO-1) and other correspondence that may concern this approved commingling.

Sincerely,



Rick Hestermann
Professional Geologist