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 No. 1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

For KCC Use
Effective Date: 1-23-2005

District: STAY

Yes No

Expected Spud Date: March 3, 2005

OPERATOR: License No.: 33385
Name: Marlin Drilling Company, Inc.
Address: 30601 East 599 N. Rd
City/State/Zip: Wichita KS 67212
Contact Person: NM Parlett
Phone: 316-721-0236

CONTRACTOR: License No.: 30066
Name: Marlin Drilling Company, Inc.
Address: 30601 East 599 N. Rd
City/State/Zip: Wichita KS 67212
Contact Person: NM Parlett
Phone: 316-721-0236

Spot: Oil

Well Class: Oil

Type Equipment:

Depth

Oil Entrance: 0 Ft.
Gas Entrance: 0 Ft.
Injection: 0 Ft.
Water: 0 Ft.
Cased: 0 Ft.
Other: 0 Ft.

If DWO: old well information as follows:
Operator: Yes No
Well Name:
Original Completion Date: Original Total Depth:
Directional, Deviated or Horizontal well?
Vertical depth:
Bottom Hole Location:

KCC D8 K:

* Units Information attached

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 uncased materials plus a minimum of 20 feet (20') in 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 plugged or production casing is cemented to;
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 surf-It casing order 539-891C, 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 any prior to cementing.

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

Date: January 13, 2005
Signature of Operator or Agent:

Remember to:

File Drilling Application (form CDP-1) with intent to Drill;
File Completion Form CAC-1 within 120 days of spud date;
File warranties that plugging or production casing; notify appropriate district office 48 hours prior to workover or re-entry;
Submit plugging report (CP-4) after plugging is completed;
Obtain written approval before disposing or injecting salt water;
If this permit has expired (See authorized expiration date please check the box below or return of the address below.

Mail to: KCC - Conservation Division, 130 S. Market - Room 292N, Wichita, Kansas 67202

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S R 15

Yes

Spot

Yes No

Yes

Water: Locate well on the Section Plat or on reverse side
County:

Lease Name: Julia B. Unit
Field Name: Unknown
Is it a Priced / Priced Field?

Target Formation: LKC

Newest Lease or Unit boundary: 330 (SPR)

Ground Surface Elevation: 1790

Water well within one-quarter mile:

Public water supply well within one mile:

Depth to bottom of fresh water:

Depth to bottom of usable water:

Surface Pipe by Alternate:

Length if Surface Pipe Placed to be:

Length of Conductor Pipe required:

Projected Total Depth:

Formation or Total Depth:

Water Source for Drilling Operations:

DWR Permit:

Will Core be taken?

Yes No
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 unit 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.

APN No. 15: 167-28277.00.00
Operator: JA Operating, Inc.
Lease: Julia B. Unit
Well Number: 31-1
Field: unknown

Number of Acre attributable to well: QTR / QTR / QTR of acreage: NW, NW, NW

Location of Well: County; Russell
70 Feet from N / S Line of Section
330 Feet from E / W Line of Section
Sec. 31, Twp. 11, R. 15

In Section: □ Regular □ 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.)

RECEIVED
JAN 14 2005
KCC WICHITA

EXAMPLE

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 try 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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached (CD-7 for oil wells; CG-6 for gas wells).
January 18, 2005

Mr. Hal Porter
IA Operating, Inc.
900 N. Tyler Rd #15
Wichita, KS 67212

RE: Drilling Pit Application
Julia B. Unit Lease Well No. 31-1
NW4 Sec. 31-11S-15W
Russell County, Kansas

Dear Mr. Porter:

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. Please keep all pits away from any draws.

If production casing is set all completion fluids shall be removed on a daily basis.

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. Also, please file the enclosed CDP-5 form, Surface Pond Waste Transfer, within 30 days of fluid removal.

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,

[Signature]
Kathy Haynes
Environmental Protection and Remediation Department

cc: H Deines