KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

June 16, 2005

Expected Spud Date

OPERATOR: Licensee: 33335
Name: IA Operating, Inc.
Address: 900 N 7th Rd #74

KCC: Wichita
Contact Person: Hall Porter
Phone: 316-721-0636

CONTRACTOR: Licensee: 33666
Name: Murfin Drilling Company, Inc.

Well Located For: West Class: Type Equipment:
Oil Enr. & Pac. Field Mud Rotary
Saw Storage Pit Est.
Drill Disposal Widdler
O & D Solar O & D Boil
Cable

If O & D: old well information as follows:

Well Name: Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal well:Bore? Yes or No
If Yes, true vertical depth:

Bottom Hole Location:

KCC DKT #:

For KCC Use Only
API #: 15 - 051-2.5-4 26.0000

For use only with Completion Form
Minimum surface pipe required: 2000 ft

Authority expires: August 15, 2005

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

RECEIVED
JUN - 8 2005

Form 5-1

Date: 12-31-2005

Form must be Typed

All blanks must be filled
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 proposed 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
Operator: IA Operating Inc.
Lease: Ruth
Well Number: 18-1
Field: Wildcat
Number of acres attributable to well: QTR / QTR / QTR of acreage: SW / SW / SW
Location of Well: County: Ellis
550 feet from N / S Line of Section
330 feet from E / W Line of Section
Sec. 18 / 29 / 20 S. R.
Is Section: Regular or Irregular
If Section is Irregular, locate well within nearest corner boundary.
Section corner used: NE / NW / SE / SW

(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

PLAT

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 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 well, a certificate of acreage attribution plat must be attached (CD-7 for oil wells; CD-8 for gas wells).
June 8, 2005

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

RE: Drilling Pit Application
Ruth Lease Well No. 1A-1
SW/4 Sec. 15-14S-20W
Ellis County, Kansas

Dear Mr. Porter:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slurry, 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 drawdowns.

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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: H Deines