



1049200

For KCC Use ONLY

API # 15 - _____

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: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

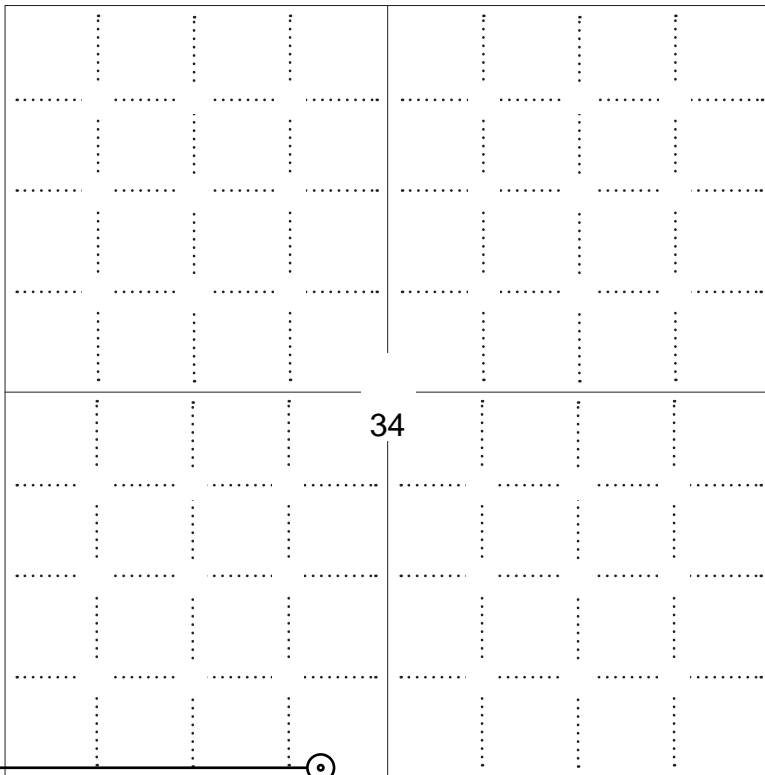
Is Section: Regular or Irregular

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.



2170 ft.

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

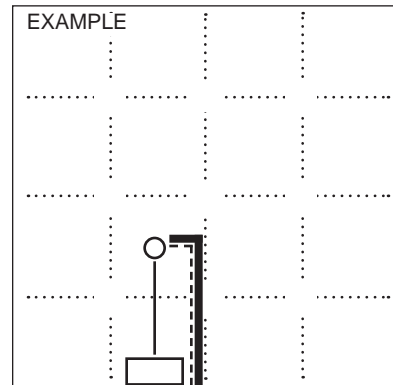
70 ft.

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.

LEGEND

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



1980' FSL



KANSAS CORPORATION COMMISSION 1049200
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____-_____-_____-_____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input 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): _____ Length (feet) _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input 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: _____ _____ Drill pits must be closed within 365 days of spud date.	
<p>Submitted Electronically</p>			

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes No



CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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 # _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____
Contact Person: _____
Phone: (_____) _____ Fax: (_____) _____
Email Address: _____

Well Location:
____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West
County: _____
Lease Name: _____ Well #: _____

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

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

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 Submitted Electronically

I

For KCC Use ONLY

API # 15 - _____

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: Mai Oil Operations, Inc.
 Lease: Krug-Mai Unit
 Well Number: 1
 Field: Hall-Gurney

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____

Location of Well: County: Russell
70 feet from N / S Line of Section
2,170 feet from E / W Line of Section
 Sec. 34 Twp. 14 S. R. 14 E W

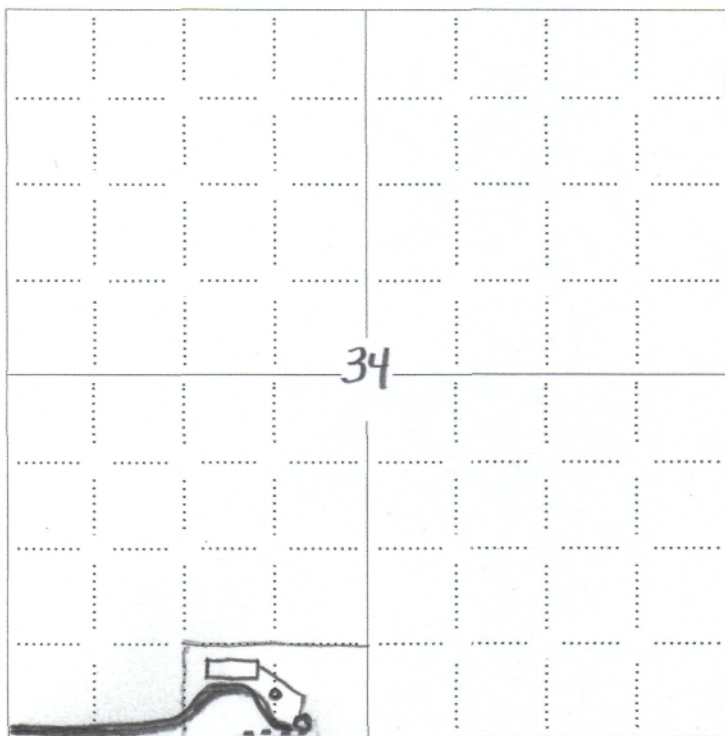
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

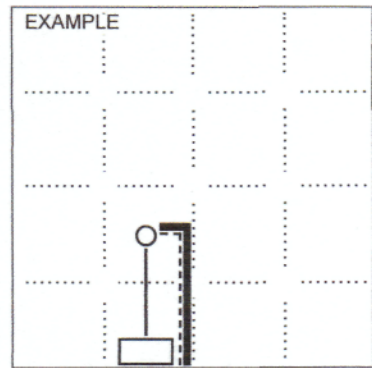
PLAT

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.



LEGEND

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



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

2170' FWL

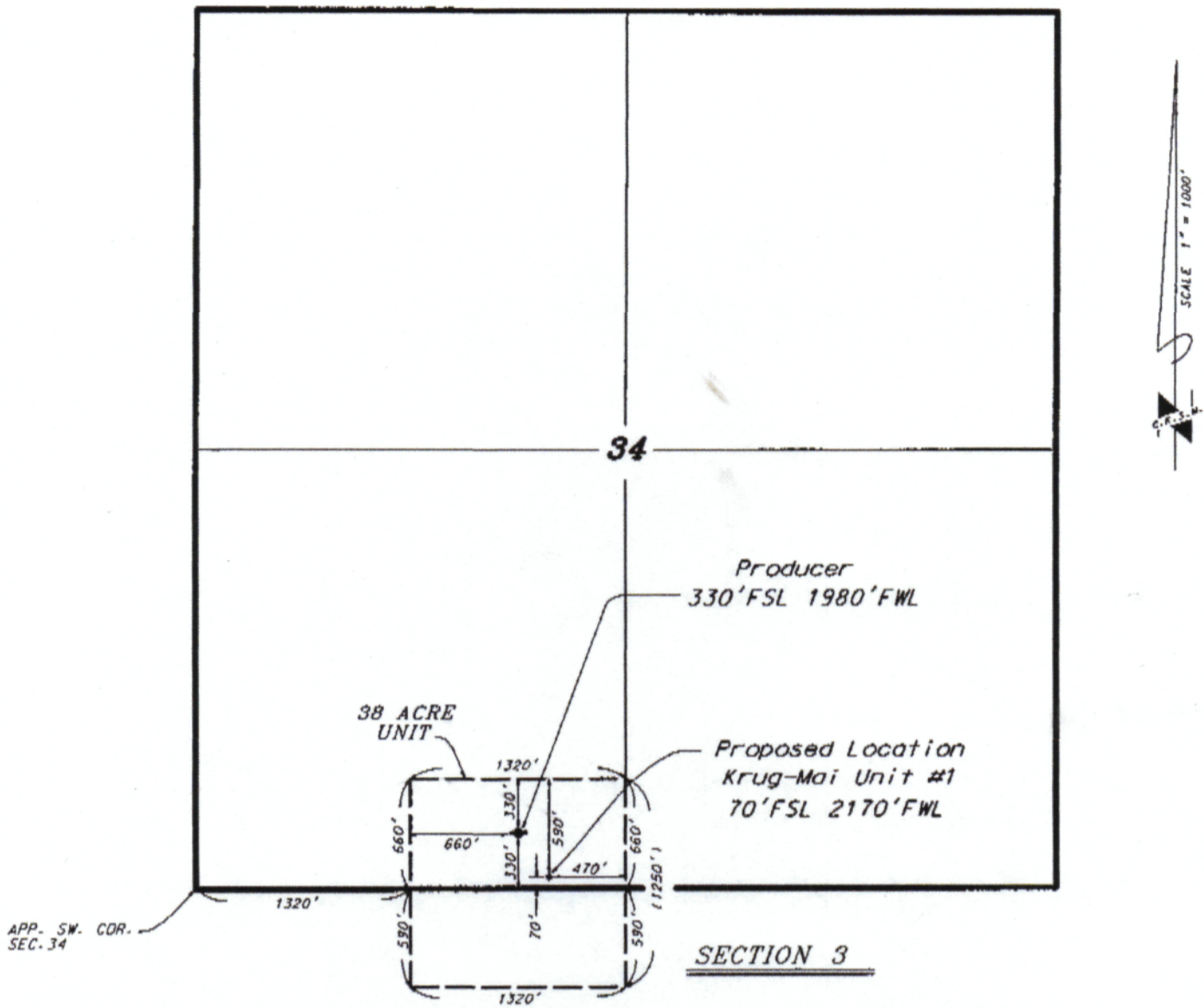
70' FSL

SEWARD CO. 3390' FEL

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

MAI OIL OPERATIONS, INC.
 KRUG-MAI UNIT LEASE
 IN SW. 1/4, SECTION 34, T14S, R14W AND IN NW. 1/4, SECTION 3, T15S, R14W
 RUSSELL COUNTY, KANSAS



UNIT DESCRIPTION

That part of the Southwest Quarter of Section 34, Township 14 South, Range 14 West and the Northwest Quarter of Section 3, Township 15 South, Range 14 West of the 6th Principal Meridian, Russell County, Kansas, described as follows:

Commencing at the southwest corner of said Section 34; thence on an assumed bearing of East, along the south line of the Southwest Quarter of said section, a distance of 1320.00 feet to the point of beginning of the unit to be described; thence on a bearing of North a distance of 660.00 feet; thence on a bearing of East a distance of 1320.00 feet; thence on a bearing of South a distance of 1250.00 feet; thence on a bearing of West a distance of 1320.00 feet; thence on a bearing of North a distance of 590.00 feet to the point of beginning.
 The above described unit contains 38.0 acres.

• Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
 • Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which constitute the precise section lines, were not necessarily located, and the exact location of the well site location in the section is not guaranteed. Therefore, the operator securing this service and occupying this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.
 • Elevations derived from national Geodetic Vertical Datum.

Date January 3, 2011

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 27 day of October, 2010

by and between Kurt R. Mai and Roblyn M. Mai, husband and wife

whose mailing address is 8411 Preston rd. Suite 800 Dallas, TX 75225 hereinafter called Lessor (whether one or more), and MAST DRILLING, INC. hereinafter called Lessee:

Lessor, in consideration of One and O.V.C Dollars (\$ 1.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provide and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest,

therein situated in County of Russell State of Kansas described as follows to wit:

The East one-half (E/2) of the North West Quarter (NW/4)

In Section 3 Township 15S Range 14W and containing 80 Acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of 3 years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

Notwithstanding anything to the contrary contained herein, Lessee is hereby granted the exclusive option, to be exercised prior to the date on which this Lease or any portion thereof would expire in accordance with its terms and provisions, of extending this Lease for an additional period of one (1) years as to all of the acreage described herein that is expiring. The only action required by Lessee to exercise this option being payment to Lessor of an additional consideration of the sum of \$10.00 per net mineral acre so extended which payment shall cover the entire one (1) year extended primary term. Such tender shall be via check or sight draft mailed to or delivered to Lessor at the above address (or such other address as Lessor may hereinafter furnish Lessee via written notice). Should this option be exercised as herein provided it shall be considered for all purposes as though this Lease originally provided for a primary term of four (4) years. If this Lease is extended as to only a portion of the acreage then covered hereby, Lessee shall designate such portion by a recordable instrument.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessor has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be traded as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a units or units not exceeding 640 acres each in the pooled only such portion of the royalty stipulated herein as the amount of his acreage place in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

IN WITNESS WHEREOF, the undersigned execute this agreement as of the day and year first above written.

Witnesses:

Kurt R. Mai

Roblyn M. Mai

**AGREEMENT TO UNITIZE AND TO APPORTION
PRODUCTION**

THIS AGREEMENT is made and entered into by and between the undersigned
this _____ day of _____, 201_____.

WHEREAS, William Ray Anderson, single; Candace M. Ball, single; the Hackerott Family Trust; Darrel L. Krug and Marilyn K. Krug, his wife; Marian P. Krug, single; Margery Enke and Larry E. Enke, her husband; Jeral L. Krug and Wanda M. Krug, his wife; Richard L. Mai and Ellen Mai, his wife; and the Sandra B. Leas Revocable Trust dated 10/17/08 are the owners of the minerals in and under the following described lands, to-wit:

The South Half of the Southeast Quarter of the Southwest Quarter (S/2 SE/4 SW/4) of Section Thirty-four (34), Township Fourteen (14) South, Range Fourteen (14) West of the 6th P.M., Russell County, Kansas (Krug Lease);

AND WHEREAS, said lands are subject to the following described oil and gas lease, to-wit:

An oil and gas lease dated March 1, 1934, from William Krug, et ux., lessors, to Jno R. Donley, lessee, and recorded in Book 18 at page 202 in the office of the register of deeds of Russell County, Kansas;

which has been perpetuated by production and which is owned by Kurt R. Mai and operated by Mai Oil Operations, Inc.;

AND WHEREAS, said oil and gas lease does not contain a clause permitting pooling or unitization with other lands;

AND WHEREAS, Kurt R. Mai is the owner of the minerals in and under the following described lands, to-wit:

The East Half of the Northwest Quarter (E/2 NW/4) of Section Three (3), Township Fifteen (15) South, Range Fourteen (14) West of the 6th P.M., Russell County, Kansas (Mai Lease);

AND WHEREAS, Mast Drilling, Inc. is the owner of the following described oil and gas lease, to-wit:

An oil and gas lease dated the 27th day of October, 2010, from Kurt R. Mal, et ux., lessors, to Mast Drilling, Inc., lessee, and recorded in Book 214 at page 422 in the office of the register of deeds of Russell County, Kansas, and covering the last above described lands;

AND WHEREAS, the undersigned parties desire to unitize the above described leases and provide for the apportionment of production;

NOW THEREFORE, these undersigned parties contract and agree as follows:

1. That the oil and gas lease dated March 1, 1934, and recorded in Book 18 at page 202, more fully described above, is hereby amended to include the following described language, to-wit:

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease; whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

AGREEMENT TO UNITIZE AND TO APPORTION PRODUCTION, Page 2 of 14 pages.

2. That it is the intent of Mai Oil Operations, Inc. to file a declaration of unitization unitizing the first above described oil and gas lease with the N/2 NE/4 NW/4 of the second above described oil and gas lease as the Krug-Mai Unit.

3. That notwithstanding the foregoing language contained in the above amendment, the parties hereto agree that the present producing well upon the Krug lease shall be periodically barrel tested by the operator and the oil purchaser notified of the amount of production attributable to the Krug well and instructed to pay the same to the mineral owners of the Krug acreage, in addition to the production to which they might be entitled from the Mai acreage.

4. Any party to this agreement, their heirs and assigns, may, at any time, demand that a gauge be taken and the daily amount of oil production from each of the leases be determined and, in that event, the amount so determined shall be the basis for allocation of production until a subsequent gauge shall be taken. In the event any party shall demand a new gauge, the same shall be taken under normal conditions and shall be made jointly by representatives of all parties hereto.

5. Should production not be obtained upon the lands covered by the above described Mai acreage, or should production, once obtained, cease, this agreement shall be null and void.

6. This agreement may be executed in any number of counterparts and shall be binding upon all parties executing any one of such counterparts to the same extent as if all of said parties had jointly executed one copy thereof; or may be ratified by a separate instrument in writing referring this agreement. Each such ratification shall have the force and effect of an executed counterpart thereof and of adopting by reference all of the provisions hereof.

SANDRA B. LEAS REVOCABLE TRUST
DATED 10/17/08

By J. Michael Leas
Trustee


ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF ELLIS, ss:

Before me, the undersigned, a Notary Public, within and for the County and State, on this 21st day of December, 2010, personally appeared J. Michael Leas, Trustee of the Sandra B. Leas Revocable Trust dated 10/17/08, to me personally known to be the identical person who executed the within and foregoing Agreement To Unitize And To Apportion Production and acknowledged to me that he/she executed the same as his/her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

Therese Staab
Notary Public

My appointment expires:
 NOTARY PUBLIC - State of Kansas
THERESE STAAB
My Appt. Expires June 20, 2011

Richard L. Mai

Richard L. Mai

Ellen Mai

Ellen Mai

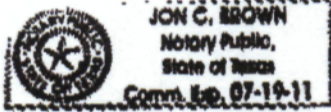
ACKNOWLEDGMENT

STATE OF TEXAS, COUNTY OF DALLAS, ss:

Before me, the undersigned, a Notary Public, within and for the County and State, on this 15th day of December, 2010, personally appeared Richard L. Mai and Ellen Mai, his wife, to me personally known to be the identical persons who executed the within and foregoing Agreement To Unitize And To Apportion Production and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My appointment expires: 7/19/11



Jon C. Brown
Notary Public
Printed Name Jon C. Brown

Marlan P. Krug
Marlan P. Krug

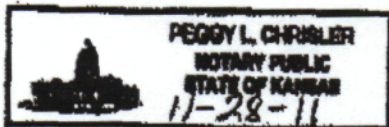
ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF RUSSELL, ss:

Before me, the undersigned, a Notary Public, within and for the County and State, on this 20th day of November, 2010, personally appeared Marlan P. Krug, a single person, to me personally known to be the identical person who executed the within and foregoing Agreement To Unitize And To Apportion Production and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My appointment expires:



Peggy L. Chrysler
Notary Public
Printed Name Peggy L. Chrysler

Margery Enke
 Margery Enke
Larry E. Enke
 Larry E. Enke

ACKNOWLEDGMENT

STATE OF COLORADO, COUNTY OF Larimer, ss:

Before me, the undersigned, a Notary Public, within and for the County and State, on this 15th day of December, 2010, personally appeared Margery Enke and Larry E. Enke, her husband, to me personally known to be the identical persons who executed the within and foregoing Agreement To Unitize And To Apportion Production and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My appointment expires:

Chelsay Burrus
 Notary Public
 Printed Name Chelsay Burrus

My Commission Expires
04/22/2014



HACKEROTT FAMILY TRUST

By Shirley M. Hackerott
Trustee

ACKNOWLEDGMENT

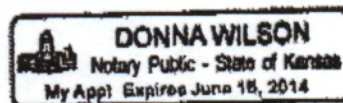
STATE OF KANSAS, COUNTY OF OSBORNE, ss:

Before me, the undersigned, a Notary Public, within and for the County and State, on this 15th day of December, 2010, personally appeared Shirley M. Hackerott, Trustee of the Hackerott Family Trust, to me personally known to be the identical person who executed the within and foregoing Agreement To Unitize And To Apportion Production and acknowledged to me that he/she executed the same as his/her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My appointment expires: 6-16-14

Donna Wilson
Notary Public
Printed Name Donna Wilson



Jeral L. Krug
 Jeral L. Krug

Wanda M. Krug
 Wanda M. Krug

ACKNOWLEDGMENT

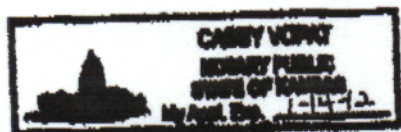
STATE OF KANSAS, COUNTY OF ELLIS, ss:

Before me, the undersigned, a Notary Public, within and for the County and State, on this 14th day of December, 2010, personally appeared Jeral L. Krug and Wanda M. Krug, his wife, to me personally known to be the identical persons who executed the within and foregoing Agreement To Unitize And To Apportion Production and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My appointment expires: 1-14-12

Cassy Vopat
 Notary Public
 Printed Name Cassy Vopat



Kurt R. Mai
 Kurt R. Mai

Roblyn Mai
 Roblyn Mai

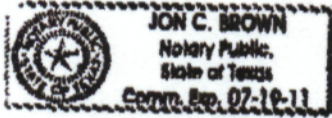
ACKNOWLEDGMENT

STATE OF TEXAS, COUNTY OF DALLAS, ss:

Before me, the undersigned, a Notary Public, within and for the County and State, on this 13th day of December, 2010U, personally appeared Kurt R. Mai and Roblyn Mai, his wife, to me personally known to be the identical persons who executed the within and foregoing Agreement To Unitize And To Apportion Production and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My appointment expires: 7/19/11



Jon C. Brown
 Notary Public
 Printed Name Jon C. Brown

AGREEMENT TO UNITIZE AND TO APPORTION PRODUCTION, Page 12 of 14 pages.

MAST DRILLING, INC.

By Kurt R. Mai
Printed Name Kurt R. Mai
Title President

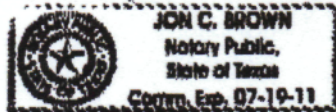
ACKNOWLEDGMENT

STATE OF TEXAS, COUNTY OF DALLAS, ss:

Before me, the undersigned, a Notary Public, within and for the County and State, on this 13th day of December, 2011, personally appeared Kurt R. Mai, (title) President of Mast Drilling, Inc., a Kansas corporation, who executed the within and foregoing Agreement To Unitize And To Apportion Production and acknowledged to me that he executed the same for and on behalf of, and as the act and deed of said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My appointment expires: 7/19/11



Jon C. Brown
Notary Public Jon C. Brown
Printed Name _____

William Ray Anderson
William Ray Anderson

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF LINCOLN, ss:

Before me, the undersigned, a Notary Public, within and for the County and State, on this 13th day of December, 2010, personally appeared William Ray Anderson, a single person, to me personally known to be the identical person who executed the within and foregoing Agreement To Unitize And To Apportion Production and acknowledged to me that he/she executed the same as free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My appointment expires: 7-24-13

Kathy Schwerdtfeger
Notary Public
Printed Name Kathy Schwerdtfeger



Darrel L. Krug

Darrel L. Krug

Marilyn K. Krug

Marilyn K. Krug

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF BUTLER, ss:

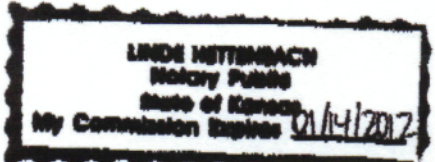
Before me, the undersigned, a Notary Public, within and for the County and State, on this 13 day of December, 2010, personally appeared Darrel L. Krug and Marilyn K. Krug, his wife, to me personally known to be the identical persons who executed the within and foregoing Agreement To Unitize And To Apportion Production and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My appointment expires: 01/14/2012

Linde H

Notary Public
Printed Name Linde Hetterbach



Linde Hetterbach
1420 N Ohio
Arapahoe, KS 67010



*Mark Parkinson, Governor
Thomas E. Wright, Chairman
Joseph F. Harkins, Commissioner
Ward Loyd, Commissioner*

January 13, 2011

Allen Bangert
Mai Oil Operations, Inc.
8411 PRESTON RD STE 800
DALLAS, TX 75225-5520

Re: Drilling Pit Application
Krug-Mai Unit 1
SW/4 Sec.34-14S-14W
Russell County, Kansas

Dear Allen Bangert:

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 the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

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 2008), Exploration and Production Waste Transfer, through KOLAR 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 District Office at (785) 625-0550.