

JAMES C. MUSGROVE

Petroleum Geologist, LLC
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Mai Oil Operations Inc.
Ron Krug #1
NW-NE-SW-NW (1800' FSL & 330' FWL)
Section 11-15s-14w
Russell County, Kansas
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Dry and Abandoned

Contractor: Southwind Drilling Co. (Rig #3)
Commenced: March 17, 2014
Completed: March 23, 2014
Elevation: 1863' K.B., 1861' D.F., 1855' G.L.
Casing program: Surface; 8 5/8" @ 516'
Production, none
Sample: Samples saved and examined 2200' to the Rotary Total Depth.
Drilling time: One (1) foot drilling time recorded and kept 2200 ft. to the Rotary Total Depth.
Measurements: All depths measured from the Kelly Bushing.
Drill Stem Tests: There were three (3) Drill Stem Tests ran by Trilobite Testing Co.
Electric Log: By Nabors; Dual Induction, Compensated Density, Neutron Log and Micro Log.

<u>Formation</u>	<u>Log Depth</u>	<u>Sub-Sea Datum</u>
Anhydrite	851	-1012
Base Anhydrite	890	+973
Grand Haven	2420	-560
1 st Tarkio Lime	2432	-572
Dover	2444	-584
2 nd Tarkio Lime	2450	-590
Tarkio Lime	2489	-629
3 rd Tarkio Lime	2515	-645
Elmont	2554	-691
Howard	2695	-832
Topeka	2766	-908
Heebner	2994	-1131
Toronto	3010	-1151
Lansing	3056	-1193
Base Kansas City	3260	-1397
Arbuckle	3309	-1446
Rotary Total Depth	3400	-1537
Log Total Depth	3398	-1535

(All top and zone determination were made from a correlation of Electric Log measurements).

SAMPLE ANALYSIS, SHOWS OF OIL, TESTING DATA, ETC.

TARKIO SECTION

- 1st Sand
2432-2438' Sand, white, gray, very fine grained, micaceous, shaley, poorly developed porosity; trace poor stain, no show of free oil and no odor in fresh samples.
- 2nd Sand
2450-2466' Sand, gray to grayish green; very fine to fine grained; micaceous, shaley in part; trace stains, no free oil and no odor in fresh samples

TOPEKA SECTION

- 2766-2771' Limestone, cream, tan fine and medium crystalline, slightly dolomitic, scattered inter-crystalline type porosity, trace stain, no show of free oil and no odor in fresh samples.
- 2921-2930' Limestone, cream, tan, finely crystalline, fossiliferous, poorly developed pinpoint porosity, dark brown spotty stain, no free oil and no odor.
- 2943-2966' Limestone, cream, tan, finely crystalline, scattered porosity, trace scattered light brown stain no free oil and no odor in fresh samples.

TORONTO SECTION

- 3011-3020' Limestone, white/light gray, finely crystalline, chalky poorly developed porosity, trace poor stain, no free oil and no odor in fresh samples.

LANSING SECTION

- 3056-3067' Limestone, cream, white, finely crystalline, fossiliferous/oolitic, poor Scattered porosity, chalky, poor spotty dark brown stain, no free oil and no fresh samples.
- 3077-3084' Limestone, cream, tan oolitic/fossiliferous, cherty in part; poor visible porosity no shows.
- 3095-3103' Limestone, cream, tan, finely crystalline, chalky, oolitic, oomoldic, poor to fair oomoldic porosity, trace light brown stain, no free oil and no odor in fresh samples.
- 3134-3140' Limestone, cream, tan finely crystalline, oolitic, poor scattered sub-oomoldic porosity, no shows.
- 3153-3164' Limestone, cream, white finely crystalline, chalky, oomoldic/fair oomoldic porosity, (barren).
- 3178-3196' Limestone, cream, tan, finely crystalline oolitic, slightly chalky oomoldic, poorly developed porosity, no shows.
- 3205-3212' Limestone, cream, tan, finely crystalline, oolitic, fair inter-crystalline type porosity, dark brown to black stain, no free oil and no odor in fresh samples.
- 3218-3230' Limestone, cream, tan, light gray, finely crystalline, oolitic scattered pinpoint and fine vuggy type porosity, no shows

3240-3245' Limestone, cream, tan, finely crystalline, oolitic, poorly developed porosity, trace light brown stain, no free oil and no odor in fresh samples.

ARBUCKLE SECTION

3309-3323' Dolomite, white, light gray, fine and medium crystalline, fair inter-crystalline type porosity golden brown stain, show of free oil and faint/fair odor in fresh samples, plus chert; white/gray boney.

Drill Stem Test #1 **3262-3323**

Times: 30-45-30-45
Blow: Fair
Recovery: 10' clean oil
105' Oil specked muddy water
Pressures: ISIP 244 psi
FSIP 209 psi
IFP 17-43 psi
FFP 45-61 psi
HSH 1729-1619 psi

3323-3332' Dolomite, white, fine and medium crystalline, fair porosity, golden brown to dark brown stain, show of free oil and fair odor.

Drill Stem Test #2 **3319-3332**

Times: 30-45-45-45
Blow: Strong
Recovery: 60' clean oil
60' muddy oil
(50% oil and 50% mud)
Pressures: ISIP 340 psi
FSIP 163 psi
IFP 21-42 psi
FFP 42-51 psi
HSH 1787-1661 psi

3332-3340' Dolomite, white, fine and medium crystalline, poor to fair inter-crystalline porosity, fair with chalky luster, dark brown stain, trace of free oil and faint odor, plus scattered pyrite.

Drill Stem Test #3 **3326-3340**

Times: 30-45-30-45

Blow: Fair

**Recovery: 40' clean oil
100' muddy water**

**Pressures: ISIP 498 psi
FSIP 384 psi
IFP 27-49 psi
FFP 57-59 psi
HSH 1760-1764 psi**

3240-3360' Dolomite, white, light gray, fine and medium crystalline, poor visible porosity, cherty in part, dense.

3360-3380' Dolomite, white, finely crystalline, poorly developed porosity, cherty trace pyrite; no show.

3380-3400' Dolomite, white, fine and medium crystalline, fair inter-crystalline porosity, black tarry stain, no free oil and no odor in fresh samples.

**Rotary Total Depth 3400-1537
Log Total Depth 3398-1535**

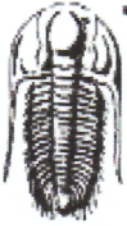
Recommendations:

The Mai Oil Operations, Ron Krug #1, was plugged and abandoned at the Rotary Total Depth 3400.

Respectfully submitted;



Kurt Talbott,
Petroleum Geologist



TRILOBITE TESTING, INC

DRILL STEM TEST REPORT

Mai Oil Operations Inc
 8411 Preston Rd STE 800
 Dallas, TX 75225
 ATTN: Kurt Talbot

11-15s-14w Russell, KS
Ron Krug #1
 Job Ticket: 57529 **DST#: 1**
 Test Start: 2014.03.21 @ 21:09:00

GENERAL INFORMATION:

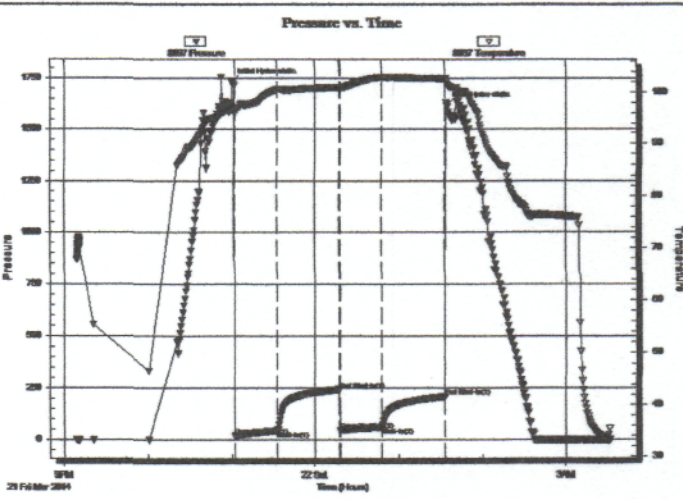
Formation: **Arbuckle**
 Deviated: No Whipstock: ft (KB)
 Time Tool Opened: 23:02:40
 Time Test Ended: 03:32:00
 Interval: **3262.00 ft (KB) To 3323.00 ft (KB) (TVD)**
 Total Depth: 3323.00 ft (KB) (TVD)
 Hole Diameter: 7.88 inches Hole Condition: Good
 Test Type: Conventional Bottom Hole (Initial)
 Tester: Tim Phillips
 Unit No: 49
 Reference Elevations: 1845.00 ft (KB)
 1836.00 ft (CF)
 KB to GRV/CF: 9.00 ft

Serial #: 8897

Inside

Press@RunDepth: 61.12 psig @ 3287.00 ft (KB)
 Start Date: 2014.03.21 End Date: 2014.03.22
 Start Time: 21:09:01 End Time: 03:31:30
 Capacity: 8000.00 psig
 Last Calib.: 2014.03.22
 Time On Btm: 2014.03.21 @ 23:00:10
 Time Off Btm: 2014.03.22 @ 01:34:09

TEST COMMENT: IFP- Blow built to 6 1/4"
 ISL- Dead no Blow back
 FF- Blow built to 2 1/4"
 FSI- Dead no blow back



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1728.72	96.75	Initial Hydro-static
3	16.73	96.03	Open To Flow (1)
33	43.42	100.57	Shut-In(1)
78	243.62	100.96	End Shut-In(1)
78	45.22	100.93	Open To Flow (2)
108	61.12	102.92	Shut-In(2)
154	208.93	102.63	End Shut-In(2)
154	1618.76	101.70	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
10.00	CO 100%O	0.14
105.00	SSOWCM TR O, 20% M, 80% W	1.47

Gas Rates

	Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)



TRILOBITE TESTING, INC

DRILL STEM TEST REPORT

Mai Oil Operations Inc
 8411 Preston Rd STE 800
 Dallas, TX 75225
 ATTN: Kurt Talbot

11-15s-14w Russell, KS
Ron Krug #1
 Job Ticket: 57531 **DST#: 2**
 Test Start: 2014.03.22 @ 08:32:00

GENERAL INFORMATION:

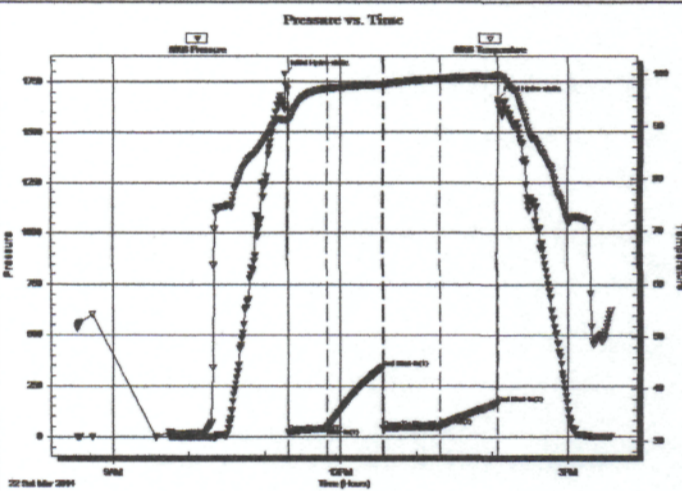
Formation: **Arbuckle**
 Deviated: No Whipstock: ft (KB)
 Time Tool Opened: 11:18:40
 Time Test Ended: 15:34:00
 Interval: **3319.00 ft (KB) To 3332.00 ft (KB) (TVD)**
 Total Depth: 3332.00 ft (KB) (TVD)
 Hole Diameter: 7.88 inches Hole Condition: Good
 Test Type: Conventional Bottom Hole (Reset)
 Tester: Tim Phillips
 Unit No: 49
 Reference Elevations: 1845.00 ft (KB)
 1836.00 ft (CF)
 KB to GR/CF: 9.00 ft

Serial #: 8898

Outside

Press@RunDepth: 50.99 psig @ 3329.00 ft (KB)
 Start Date: 2014.03.22 End Date: 2014.03.22
 Start Time: 08:32:01 End Time: 15:33:50
 Capacity: 8000.00 psig
 Last Calib.: 2014.03.22
 Time On Btrm: 2014.03.22 @ 11:15:50
 Time Off Btrm: 2014.03.22 @ 14:04:20

TEST COMMENT: IFP- BOB in 30 min
 IS- Dead no blow back
 FF- Blow built to 4"
 FS- Dead no blow back



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1787.11	91.30	Initial Hydro-static
3	21.19	91.05	Open To Flow (1)
34	41.64	97.32	Shut-In(1)
78	340.35	98.10	End Shut-In(1)
78	42.00	97.95	Open To Flow (2)
124	50.99	99.22	Shut-In(2)
169	162.83	99.77	End Shut-In(2)
169	1661.39	100.08	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
63.00	CO 100% O	0.88
63.00	MCO 50% O, 50% M	0.88

* Recovery from multiple tests

Gas Rates

Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)

QUALITY OILWELL CEMENTING, INC.

Federal Tax I.D.# 20-2886107

Phone 785-483-2025

Home Office P.O. Box 32 Russell, KS 67665

No. 7177

Cell 785-324-1041

2:30 AM

Date	3-18-14	Sec.	11	Twp.	15	Range	14	County	Russell	State	Ks	On Location		Finish	2:30 AM
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Location: Russell, Ks - S to Mitchell Rd, 1/4 W

Lease: Ron Krug Well No. 1 Owner: N/Into

Contractor: Southwest #3 To Quality Oilwell Cementing, Inc.
 Type Job: Surface You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.

Hole Size: 12 1/4" T.D. 516' Charge To: Mai oil operations

Csg. 8 5/8" Depth 516' Street:

Tbg. Size: Depth: City: State:

Tool: Depth: The above was done to satisfaction and supervision of owner agent or contractor.

Cement Left in Csg. 20' Shoe Joint 20' Cement Amount Ordered 250 60/40 3% CC 2% Gel

Meas Line Displace 31 1/2

EQUIPMENT

Pumptrk 16	No.	Cementer	Billy	Common
		Helper		
Bulktrk 3	No.	Driver	Lonnie	Poz. Mix
		Driver		Gel.
Bulktrk p.u.	No.	Driver	Rock	Calcium
		Driver		

JOB SERVICES & REMARKS

Remarks: Cement did Circulate

Rat Hole

Mouse Hole

Centralizers

Baskets

D/V or Port Collar

Handling

Mileage

FLOAT EQUIPMENT

Guide Shoe

Centralizer

Baskets

AFU Inserts

Float Shoe

Latch Down

1 - wood plug

Pumptrk Charge

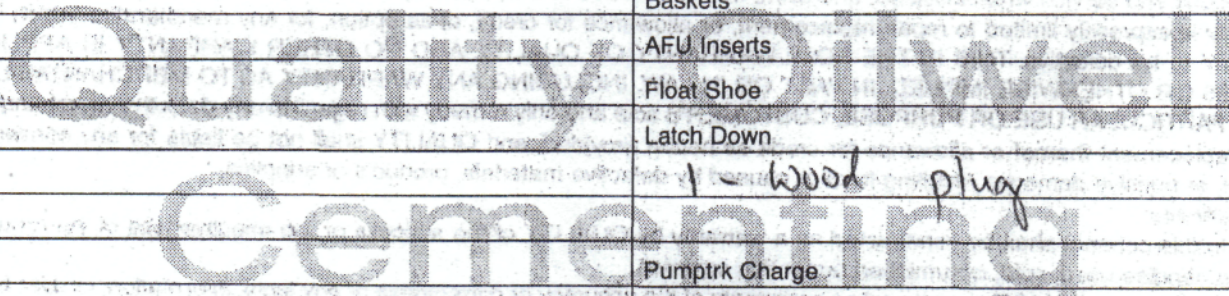
Mileage

Tax

Discount

Total Charge

Signature: Guy Krug



ALLIED OIL & GAS SERVICES, LLC 054215

Federal Tax I.D.# 20-5975804

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:

Russell

DATE <u>3-23-14</u>	SEC. <u>11</u>	TWP. <u>15s</u>	RANGE <u>14w</u>	CALLED OUT _____	ON LOCATION _____	JOB START <u>5:39am</u>	JOB FINISH <u>6:00am</u>
LEASE <u>Roy Kroger</u>		WELL # <u>1</u>		LOCATION <u>Russell 8s 4w</u>		COUNTY <u>Russell</u>	STATE <u>KS</u>
OLD OR NEW (Circle one) _____							

CONTRACTOR Southwind D&G, R-#3 OWNER _____

TYPE OF JOB Rotary Plug

HOLE SIZE 7 7/8 T.D. _____

CASING SIZE 8 5/8 Surface DEPTH 516

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

CEMENT AMOUNT ORDERED 205 sx @ 40 476 GAL

1/4" FIT F10 Seal

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

ASC _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

EQUIPMENT

PUMP TRUCK CEMENTER Glenne Gie

409 HELPER Nathan D.

BULK TRUCK

481 DRIVER Kenneth R.

BULK TRUCK

_____ DRIVER _____

REMARKS:

50 SX @ 3298

25 SX @ 875

90 SX @ 560

10 SX @ 40 w/ wooden Plug

30 SX @ RATHOLE

Thanks

CHARGE TO: MAE Oil Operations

STREET _____

CITY _____ STATE _____ ZIP _____

TOTAL _____

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

MANIFOLD _____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

8 7/8 Wooden Plug @ _____

_____ @ _____

_____ @ _____

_____ @ _____

To: Allied Oil & Gas Services, LLC.
You are hereby requested to rent cementing equipment