

RECEIVED

For KCC Use: Effective Date: 1-17-04 District # SGA? X Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

JAN 17 2004

Form C-1 December 2002

NOTICE OF INTENT TO DRILL

KCC WICHITA

Form must be Typed Form must be Signed All blanks must be Filled

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

Expected Spud Date 1 19 2004 month day year

Spot 90N 90E East C SW Sec. 2 Twp. 30 S. R. 14 West

OPERATOR: License# 5259 Name: MAI OIL OPERATIONS, INC. Address: P.O. BOX 33 City/State/Zip: RUSSELL, KS. 67665 Contact Person: ALLEN BANGERT Phone: 785 483 2169

1410 feet from N / X S Line of Section 1410 feet from E / X W Line of Section Is SECTION Regular X Irregular?

CONTRACTOR: License# 5142 Name: STERLING DRILLING CO.

(Note: Locate well on the Section Plat on reverse side) County: BARBER Lease Name: ALEXANDER Well #: 1 Field Name: WILDCAT

Well Drilled For: Oil X Gas QWO Seismic Other Well Class: Enh Rec Storage Disposal Infield Pool Ext Wildcat Other Type Equipment: Mud Rotary X Air Rotary Cable

Is this a Prorated / Spaced Field? Yes No X No Target Information(s): ARBUCKLE Nearest Lease or unit boundary: 1410'

If OWWO: old well information as follows: Operator: Well Name: Original Completion Date: Original Total Depth:

Ground Surface Elevation: 1951' feet MSL Water well within one-quarter mile: X Yes No Public water supply well within one mile: Yes X No

Directional, Deviated or Horizontal wellbore? Yes X No If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

Depth to bottom of fresh water: 150' Depth to bottom of usable water: 180' Surface Pipe by Alternate: X 1 2 Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe required: NONE Projected Total Depth: 4650' Formation at Total Depth: ARBUCKLE Water Source for Drilling Operations: X Well Farm Pond Other

DWR Permit #: UNKNOWN AT THIS TIME (Note: Apply for Permit with DWR X)

Will Cores be taken? Yes X No If Yes, proposed zone:

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; 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 either plugged or production casing is cemented in; 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief. Date: 1-8-2004 Signature of Operator or Agent: Allen Bangert Title: PROD. SUPT.

For KCC Use ONLY API # 15 - 007-22791-00-00 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. 1 Approved by: RJPI-12-04 This authorization expires: 7-12-04 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

Remember to: File Drill Pit Application (form CDP-1) with Intent to Drill; File Completion Form ACO-1 within 120 days of spud date; File acreage attribution plat according to field proration orders; 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 and return to the address below. Well Not Drilled - Permit Expired Signature of Operator or Agent: Date:

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

2 30 14w

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

*Plat of acreage attributable to a well in a prorated or spaced field*

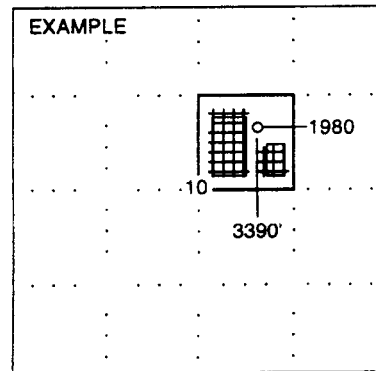
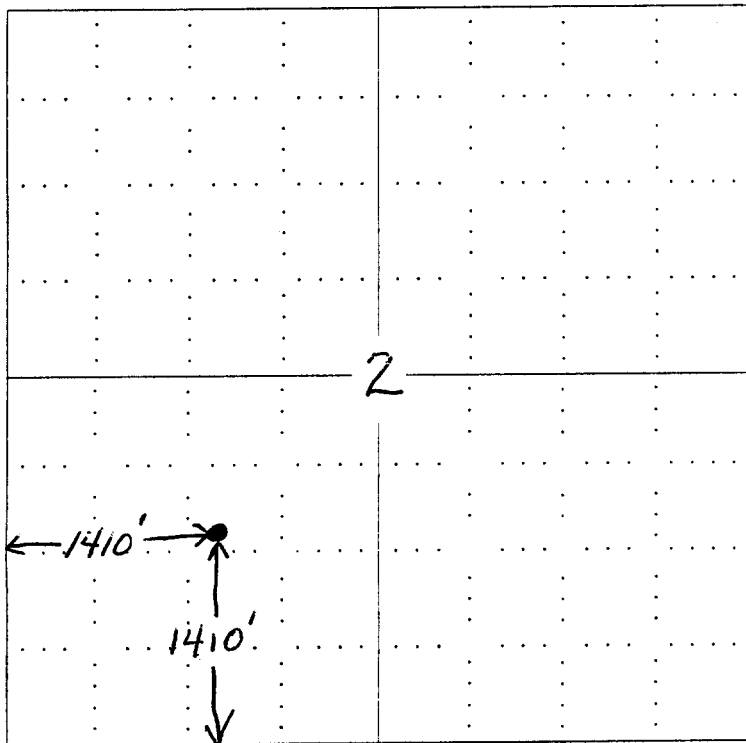
**If the intended well is in a prorated or spaced field, please fully complete this side of the form.** If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. 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: \_\_\_\_\_  
Lease: \_\_\_\_\_  
Well Number: \_\_\_\_\_  
Field: \_\_\_\_\_  
Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: BARBER  
1410 feet from  N /  S Line of Section  
1410 feet from  E /  W Line of Section  
Sec. 2 Twp. 30 S. R. 14W  East  West  
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 and shade attributable acreage for prorated or spaced wells.)  
(Show footage to the nearest lease or unit boundary line.)



SEWARD CO.

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

**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 field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

JOHN WINE, COMMISSIONER

ROBERT E. KREHBIEL, COMMISSIONER

January 12, 2004

Mr. Allen Bangert  
Mai Oil Operations, Inc.  
PO Box 33  
Russell, KS 67665

RE: Drilling Pit Application  
Alexander Lease Well No. 1  
SW/4 Sec. 02-30S-14W  
Barber County, Kansas

Dear Mr. 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 on a daily basis.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 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,



Kathleen Haynes  
Environmental Protection and Remediation Department

cc: S Durrant