

For KCC Use: 7-24-06
 Effective Date: _____
 District # 4
 SGA? Yes No

**KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
 NOTICE OF INTENT TO DRILL**

Form C-1
 December 2002
 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 8-8-06
 month day year

OPERATOR: License# 5259 ✓
 Name: Mai Oil Operations, Inc.
 Address: P.O. Box 33
Russell, Ks. 67655
 City/State/Zip:
 Contact Person: Allen Bangert
 Phone: 785-483-2169

CONTRACTOR: License# 30606
 Name: Murfin Drilling Co., Inc.

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> Other		

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

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Oil & Gas Lease w/ pooling clause attached

Spot _____ East
 SW - SW - SE Sec. 15 Twp. 16 S. R. 11 West
330 feet from N / S Line of Section
2370 feet from E / W Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Barton
 Lease Name: Lamatsch-Besthorn Unit Well #: 1
 Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Arbuckle

Nearest Lease or unit boundary: 330'

Ground Surface Elevation: 1878 feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 220'

Depth to bottom of usable water: 380'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 400'

Length of Conductor Pipe required: None

Projected Total Depth: 3400'

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:

Well Farm Pond Other _____

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes 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; in all cases surface pipe *shall be set* through all unconsolidated materials plus a minimum of 20 feet into 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 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. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, 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** prior to any cementing.

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

Date: 7-17-06 Signature of Operator or Agent: Allen Bangert Title: Prod Supt.

For KCC Use ONLY
 API # 15 - 009-24968-0000
 Conductor pipe required None feet
 Minimum surface pipe required 400 feet per Alt. (1) X
 Approved by: RH 7-19-06
 This authorization expires: 1-19-07
 (This authorization void if drilling not started within 6 months of approval 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

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 KCC WICHITA

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 - 009-24968-000
 Operator: Mai Oil Operations, Inc.
 Lease: Lamatsch-Besthorn Unit
 Well Number: 1
 Field: Wildcat
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: SW - SW - SE

Location of Well: County: Barton
330 feet from N / S Line of Section
2370 feet from E / W Line of Section
 Sec. 15 Twp. 16 S. R. 11 East West

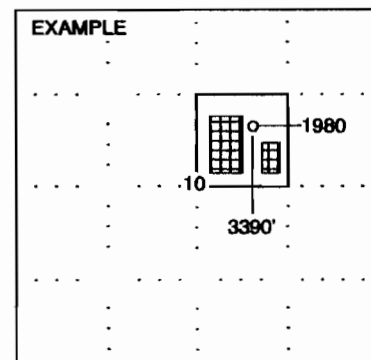
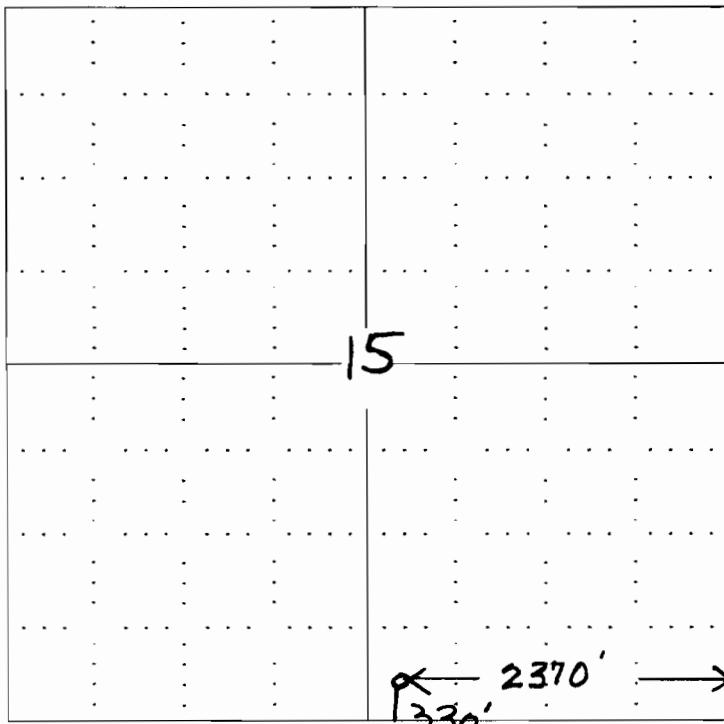
Is Section: Regular or Irregular

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.)*



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

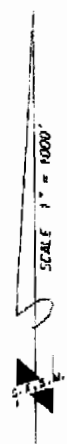
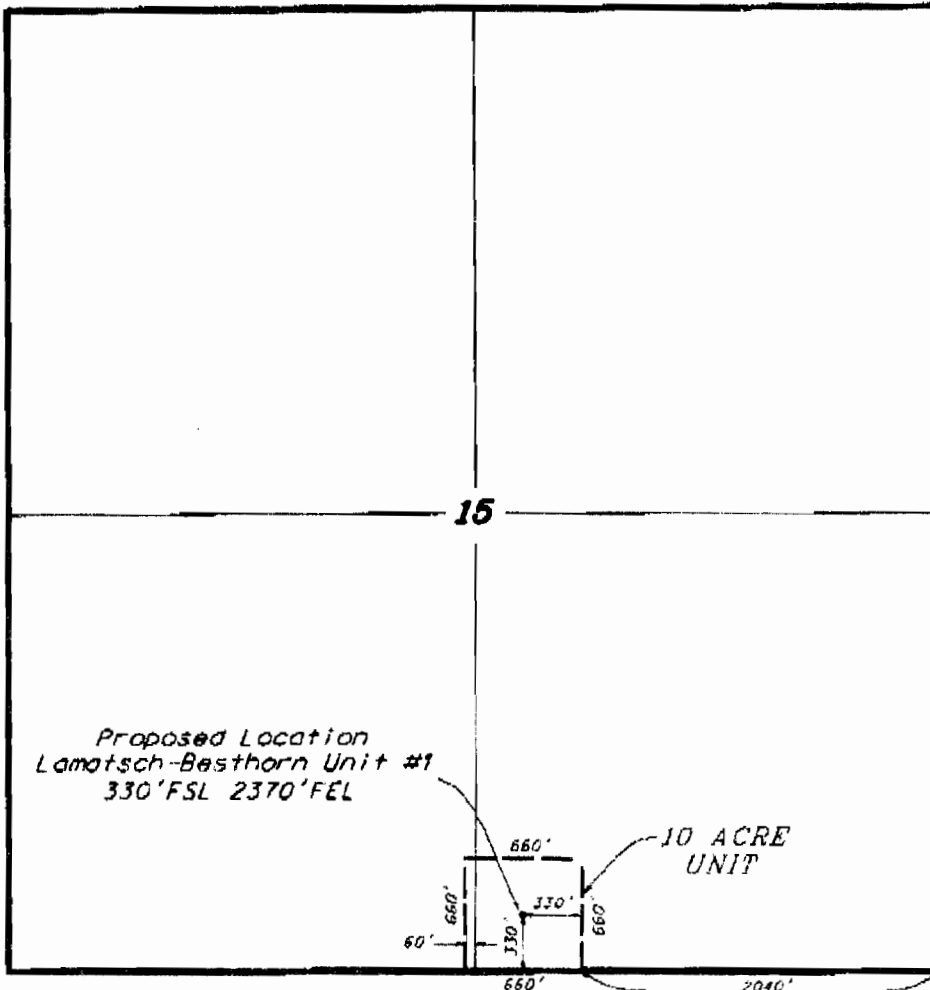
In plotting the proposed location of the well, you must show:

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

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MAI OIL OPERATIONS, INC.
LAMATSCH-BESTHORN UNIT LEASE
IN SW.1/4 AND IN SE.1/4, SECTION 15, T16S, R11W
BARTON COUNTY, KANSAS

15-009-24968-0000



Proposed Location
Lamatsch-Besthorn Unit #1
330'FSL 2370'FEL

10 ACRE
UNIT

UNIT DESCRIPTION

That part of the Southeast Quarter and Southwest Quarter of Section 15, Township 16 South, Range 11 West of the 6th Principal Meridian, Barton County, Kansas, described as follows:
Commencing at the southeast corner of said Section 15; thence on an assumed bearing of west, along the south line of the Southeast Quarter of said section, a distance of 2040.00 feet to the point of beginning of the unit to be described; thence continuing on a bearing of West a distance of 660.00 feet; thence on a bearing of North a distance of 660.00 feet; thence on a bearing of East a distance of 660.00 feet; thence on a bearing of South a distance of 660.00 feet to the point of beginning.
The above described unit contains 10.0 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 establish the precise section lines, are not necessarily located, and the exact location of the oilfield formation in the section is not guaranteed. Therefore, the operator securing this service and operating 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 operations released from any liability from negligence or consequential damages.
 * Elevations derived from National Geodetic Vertical Datum.

July 7, 2006

Date

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

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**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Mai Oil Operations, Inc.		License Number: 5259
Operator Address: P.O. Box 33, Russell, Ks. 67665		
Contact Person: Allen Bangert		Phone Number: (785) 483 - 2169
Lease Name & Well No.: Lamatsch-Besthorn Unit #1		Pit Location (QQQQ): SW SW SE
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: ^{SW} <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 500 (bbls)	Sec. 15 Twp. 16 R. 11 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 330 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2370 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Barton County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Drilling Mud
Pit dimensions (all but working pits): 75 Length (feet) 75 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 3 (feet)		
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 3726 feet Depth of water well 290 feet		Depth to shallowest fresh water 265 feet. KGS h Source of information: _____ measured _____ well owner _____ electric log _____ 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: Drilling Mud Number of working pits to be utilized: 3 Abandonment procedure: Let Dry and Backfill Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
7-17-06 Date	 Signature of Applicant or Agent	

15-009-24968-0000

KCC OFFICE USE ONLY			
Date Received: 7/19/06	Permit Number: _____	Permit Date: 7/19/06	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

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