

For KCC Use: 7-21-07  
 Effective Date: \_\_\_\_\_  
 District # \_\_\_\_\_  
 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 7-27-07  
 month day year

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

CONTRACTOR: License# 33350  
 Name: Southwind Drilling, Inc.

Well Drilled For:  Oil  Gas  OWWO  Seismic; # of Holes \_\_\_\_\_  Other \_\_\_\_\_  
 Enh Rec  Storage  Disposal  
 Well Class:  Infield  Pool Ext.  Wildcat  Other \_\_\_\_\_  
 Type Equipment:  Mud Rotary  Air Rotary  Cable

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 #: \_\_\_\_\_

Spot  East  West  
 C S/2 - NE Sec. 14 Twp. 12 S. R. 15  
1880 feet from  N /  S Line of Section  
1290 feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
 County: Russell  
 Lease Name: Haberer Unit Well #: 2  
 Field Name: Wildcat  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Arbuckle  
 Nearest Lease or unit boundary: 330'  
 Ground Surface Elevation: 1729 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: 180'  
 Depth to bottom of usable water: 300' 360'  
 Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 800'  
 Length of Conductor Pipe required: None  
 Projected Total Depth: 3235'  
 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: \_\_\_\_\_

**Oil & Gas Leases Attached**

**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: 7-11-07 Signature of Operator or Agent: Allen Bangert Title: Prod. Supt.

**For KCC Use ONLY**  
 API # 15 - 167-23446-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 380 feet per Alt. 1  
 Approved by: Att 7-16-07  
 This authorization expires: 1-16-08  
 (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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 KANSAS CORPORATION COMMISSION

JUL 13 2007

CONSERVATION DIVISION  
 WICHITA, KS

14 12 15W

**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 - 167-23446-0000  
 Operator: Mai Oil Operations, Inc.  
 Lease: Haberer Unit  
 Well Number: 2  
 Field: Widcat  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: C - S/2 - NE

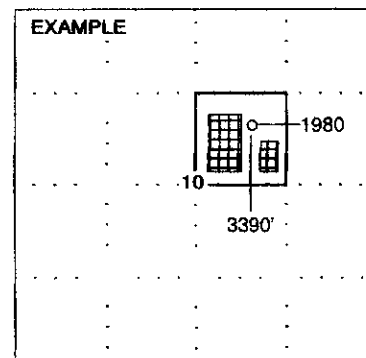
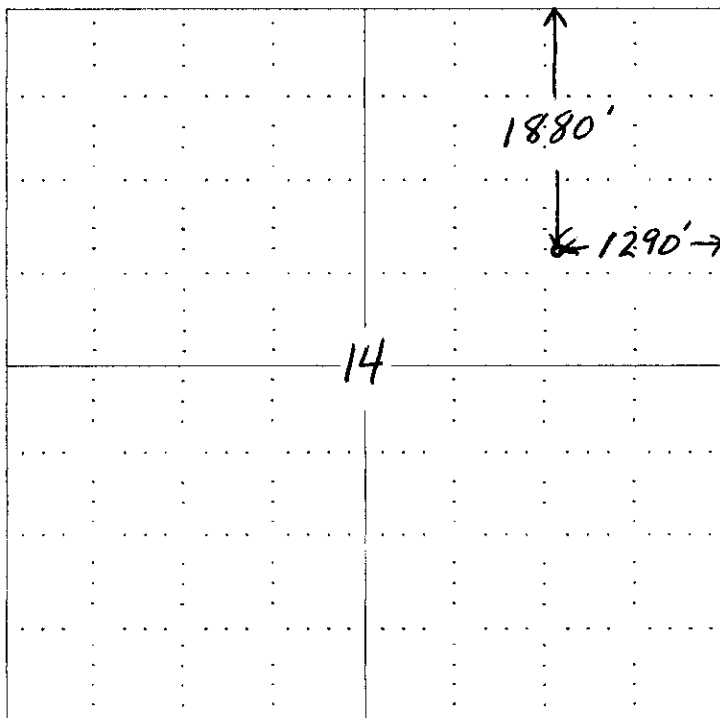
Location of Well: County: Russell  
 1880 \_\_\_\_\_ feet from  N /  S Line of Section  
 1290 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 14 Twp. 12 S. R. 15  East  West

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).

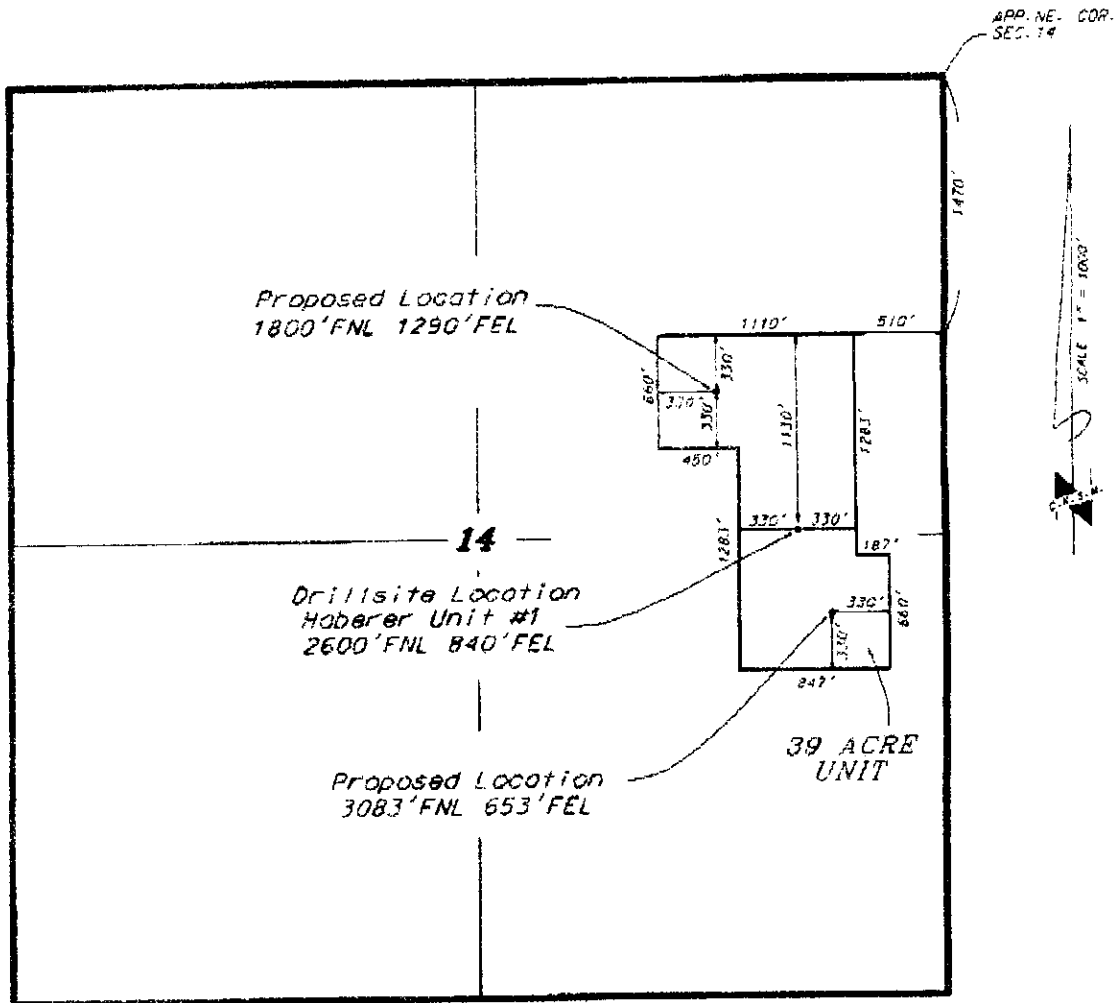
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**JUL 13 2007**

CONSERVATION DIVISION  
 WICHITA, KS

MAI OIL OPERATIONS, INC.  
HABERER UNIT LEASE  
IN NE. 1/4 & SE. 1/4, SECTION 14, T12S, R15W  
RUSSELL COUNTY, KANSAS

15167-23446-0000



UNIT DESCRIPTION

That part of the Northeast Quarter of Section 14, Township 12 South, Range 15 West of the 6th Principal Meridian, Russell County, Kansas, described as follows:  
Commencing at the northeast corner of said Section 14; thence on an assumed bearing of south, along the east line of the Northeast Quarter of said section, a distance of 1470.00 feet to a point; thence on a bearing of West a distance of 510.00 feet to the point of beginning of the unit to be described; thence continuing on a bearing of West a distance of 1110.00 feet; thence on a bearing of South a distance of 660.00 feet; thence on a bearing of East a distance of 450.00 feet; thence on a bearing of South a distance of 1283.00 feet; thence on a bearing of East a distance 847.00 feet; thence on a bearing of North a distance 660.00 feet; thence on a bearing of West a distance of 187.00 feet; thence on a bearing of North a distance of 1283 feet to the point of beginning.  
The above described unit contains 39.0 acres.

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JUL 13 2007

June 7, 2006 CONSERVATION DIVISION  
WICHITA, KS


\* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 140 acres.  
 \* Acreage of section lines were determined using the normal separation of cuts of drilled surveyors and existing in the state of Kansas. The section corners, which define the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the Operator shall be liable for any and all other claims arising therefrom.  
 \* Elevation derived from National Geodetic Survey's vertical datum.

CENTRAL KANSAS OILFIELD SERVICES, INC. (820)792-1977

**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: <b>Mai Oil Operations, Inc.</b>		License Number: <b>5259</b>
Operator Address: <b>P.O. Box 33, Russell, Ks. 67665</b>		
Contact Person: <b>Allen Bangert</b>		Phone Number: ( <b>785</b> ) <b>483 - 2169</b>
Lease Name & Well No.: <b>Haberer Unit #2</b>		Pit Location (QQQQ): <b>C S/2 NE</b>
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: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed:  Pit capacity: <b>500</b> (bbls)	Sec. <b>14</b> Twp. <b>12</b> R. <b>15</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1880</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>1290</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Russell</b> County
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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? <b>Drilling Mud</b>
Pit dimensions (all but working pits): <b>75</b> Length (feet) <b>75</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>3</b> (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 <b>NA</b> feet    Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ measured    _____ well owner    _____ electric log    _____ KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Drilling Mud</b> Number of working pits to be utilized: <b>3</b> Abandonment procedure: <b>Let Dry and Backfill</b> 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.		<b>RECEIVED</b> KANSAS CORPORATION COMMISSION
7-11-07 Date	 Signature of Applicant or Agent	<b>JUL 13 2007</b> CONSERVATION DIVISION WICHITA, KS
<b>KCC OFFICE USE ONLY</b>		
Date Received: <b>7/13/07</b>	Permit Number: _____	Permit Date: <b>7/16/07</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

15-107-23446-0000

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

July 16, 2007

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

RE: Drilling Pit Application  
Haberer Unit Lease Well No. 2  
NE/4 Sec. 14-12S-15W  
Russell 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 practical after drilling operations have ceased. **Please keep all pits away from any draws.**

**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 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site:  
[www.kcc.state.ks.us/conservation/forms](http://www.kcc.state.ks.us/conservation/forms).

**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: File