

Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION WELL PLUGGING RECORD K.A.R. 82-3-117

Form CP-4 December 2003 Type or Print on this Form Form must be Signed All blanks must be Filled

Lease Operator: Mai Oil Operations, Inc. Address: PO Box 33, Russell, KS 67665 Phone: (785) 483-2169 Operator License #: 5259 Type of Well: OGD & A Docket #: The plugging proposal was approved on: 07-01-08 by: Jerry Stapleton Is ACO-1 filed? Yes No If not, is well log attached? Yes No Producing Formation(s): List All (If needed attach another sheet) Depth to Top: Bottom: T.D.

API Number: 15-22299-00-00 Lease Name: Smith Well Number: 1 Spot Location (QQQQ): 120'S - 40'E - E/2 - W/2-SW 1200 Feet from North South Section Line 1030 Feet from East West Section Line Sec. 25 Twp. 29 S. R. 14 East West County: Pratt Date Well Completed: D & A Plugging Commenced: 07-03-08 Plugging Completed: 07-03-08

Show depth and thickness of all water, oil and gas formations.

Table with 7 columns: Oil, Gas or Water Records (Formation, Content) and Casing Record (Surface Conductor & Production) (From, To, Size, Put In, Pulled Out). Row 1: *see attached drilling report, 0' to 230', 13 3/8" used 48#, 219.43', 0'.

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Plug well with 265 sacks of 60/40 Poz, 4% gel. 1st plug @ 4620' with 50 sacks. 2nd plug @ 840' with 50 sacks. 3rd plug @ 240' with 90 sacks. 4th plug @ 40' with 50 sacks to surface. Plug mouse hole with 10 sacks. Plug rat hole with 15 sacks. Job complete @ 3:45 am on 07-03-08 by Allied Cementing (tk #34425)

Name of Plugging Contractor: Southwind Drilling, Inc. License #: 33350 Address: PO Box 276, Ellinwood, KS 67526

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Name of Party Responsible for Plugging Fees: Mai Oil Operations, Inc. State of Kansas County, Barton, ss.

CONSERVATION DIVISION WICHITA, KS

Todd E. Morgenstern, VP/OP of Southwind Drilling, Inc. (Employee of Operator) or (Operator) on above-described well, being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.



(Signature) Todd E. Morgenstern (Address) PO Box 276, Ellinwood, KS 67526

SUBSCRIBED and SWORN TO before me this 8 day of July 20 08. Notary Public Renee Kasselmann My Commission Expires: 7-15-09

Handwritten initials/signature in the bottom right corner.

SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS

Lease: SMITH #1 (MAI OIL)

Plugging received from KCC representative:

Name: JERRY STAMPLETON Date 7-1-08 Time 11:30 A.M.

1st plug @ 4620 ft. 50 sx. Stands: 77

2nd plug @ 840 ft. 50 sx. Stands: 14

3rd plug @ 240 ft. 90 sx. Stands: 4

4th plug @ 40' ft. 50 sx. Stands: 1

5th plug @ _____ ft. _____ sx. Stands: _____

Mousehole 10 sx.

Rahole 15 sx.

Total Cement used: 265 sx.

Type of cement 60/40 Poz, 4% GEL

Plug down @ 3:45 A.M. 7-3-08 By ALLIED, TEL # 34425

Call KCC When Completed:

Name: LIN REIMER Date 7-3-08 Time 8:00 A.M.

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WICHITA, KS

SOUTHWIND DRILLING, INC.

RIG #2

PO Box 276, Ellinwood, KS 67526
Office Phone 620-564-3800, Fax 620-564-3845

DRILLING REPORT

Smith #1

Location: 1200' FSL & 1030' FWL
API#: 15-151-22299-00-00

Section 25-29S-14W
Pratt County, Kansas

OWNER: _____ : Mai Oil Operations, Inc.
CONTRACTOR: Southwind Drilling, Inc. Rig #2

COMMENCED: 06-19-08
COMPLETED: 07-03-08

TOTAL DEPTH: Driller: 4722'
Logger: 4723'

Ground Elevation: 1916'
KB Elevation: 1925'

LOG:

0' - 2069' Redbed
2069' - 4722' Lime/Shale
4722' RTD

CASING RECORDS

Conductor casing – 13 3/8"

Ran 7 joints of 48# used 13 3/8" conductor casing. Tally @ 219.43'. Set @ 230'. Cement with 235 sacks of Class "A", 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 11:45 am on 06-20-08 by Allied Cementing (tk #32301).

Production casing – 5 1/2"

None – plugged the well

DEVIATION SURVEYS

0 degree (s) @ 235'
1/2 degree (s) @ 4463'
1 degree (s) @ 4722'

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MORNING DRILLING REPORT			Fax to: Allen Bangert & Mai Oil			
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Jim Musgrove		WELL NAME		Smith #1
Rig #2 Phone Numbers				LOCATION		1200' FSL & 1030' FWL Sec. 25-29S-14W Pratt County, KS
620-617-5921		Rig Cellular (Dog house)	Yes	Mai Oil Operations, Inc. 8411 Preston Road, Suite 800 Dallas, TX 75225 214-219-8883		
620-617-5920		Geologist Trailer Cellular	No	ELEVATION		G.L. 1916' K.B. 1925' API# 15-151-22299-00-00
620-450-7682		Tool Pusher Cellular	Yes	LeWayne Tresner		

Driving Directions: From Coats: 1 mile East, 1 ¼ miles South, East into.

Day	1	Date	06-19-08	Thursday	Survey @ 235' = 0 degree
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Moved Rig #2 on location
 Spud @ 10:00 pm
 Ran 3.50 hours drilling (.50 drill rat hole, 3.00 drill 17 ½"). Down 20.50 hours (14.50 move/rig up, .75 connection, .25 CTCH, .25 trip, 1.50 rig repair, .25 survey, 3.00 try to run 13 3/8" casing)
 Mud properties: wt. 9.6, vis. 52.
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$0.00
 Wt. on bit: 15,000, 120 RPM, 400# pump pressure
 17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'
 1" fuel = 34.50 gals.
 Fuel usage: 69.00 gals (29" used 2") Start @ 31"

Day	2	Date	06-20-08	Friday
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7:00 am – Laying down 13 3/8" casing @ 235'
 Ran 8.50 hours drilling. Down 15.50 hours (3.00 try to run 13 3/8" casing/ream, 1.75 run casing/cement, 8.00 wait on cement, .50 drill plug, .25 rig check, .75 rig repair, 1.25 connection)
 Mud properties: spud mud
 Daily Mud Cost = \$1,842.65. Mud Cost to Date = \$1,842.65
 Wt. on bit: 20,000, 100 RPM, 500# pump pressure
 17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'
 12 ¼" bit #1 (in @ 235') = 8.50 hrs. - 520'
 Fuel usage: 34.50 gals (83" used 1") 20" + 64" delivered = 84"
 Ran 7 joints of 48# used 13 3/8" conductor casing. Tally @ 219.43'. Set @ 230'. Cement with 235 sacks of Class "A", 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 11:45 am on 06-20-08 by Allied Cementing (tk #32301).

Day	3	Date	06-21-08	Saturday	Survey @ 1004' = 2 degrees
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7:00 am – Drilling @ 755'
 Ran 8.00 hours drilling. Down 16.00 hours (1.75 trip, .25 rig check, 9.25 rig repair, .25 survey, 2.00 nipple up, 2.25 connection, .25 jet).
 Mud properties: water
 Daily Mud Cost = \$1,842.65. Mud Cost to Date = \$1,842.65
 Wt. on bit: 20,000, 80 RPM, 650# pump pressure
 17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'
 12 ¼" bit #1 (in @ 235' out @ 1004') = 8.50 hrs. - 520'
 7 7/8" bit #1 (in @ 1004') = 4.50 hrs. - 291'
 Fuel usage: 241.50 gals (76" used 7")

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MORNING DRILLING REPORT				Fax to: Allen Bangert & Mai Oil			
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800			Wellsite Geologist: Jim Musgrove	WELL NAME		Smith #1	
Rig #2 Phone Numbers				LOCATION		1200' FSL & 1030' FWL Sec. 25-29S-14W Pratt County, KS	
620-617-5921			Rig Cellular (Dog house)	Yes			
620-617-5920			Geologist Trailer Cellular	No			
620-450-7682			Tool Pusher Cellular	Yes	LeWayne Tresner		
				Mai Oil Operations, Inc. 8411 Preston Road, Suite 800 Dallas, TX 75225 214-219-8883			
ELEVATION		G.L. 1916'	K.B. 1925'	API# 15-151-22299-00-00			

Driving Directions: From Coats: 1 mile East, 1 ¼ miles South, East into.

Day 4 Date 06-22-08 Sunday

7:00 am – Drilling @ 1295'
 Ran 20.00 hours drilling. Down 4.00 hours (.75 rig check, 2.25 connection, .50 jet, .50 rig repair)
 Mud properties: fresh water
 Daily Mud Cost = \$552.45. Mud Cost to Date = \$2,395.10
 Wt. on bit: 25,000, 80 RPM, 600# pump pressure
 17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'
 12 ¼" bit #1 (in @ 235' out @ 1004') = 8.50 hrs. - 520'
 7 7/8" bit #1 (in @ 1004') = 24.50 hrs. - 1271'

Fuel usage: 310.50 gals (67" used 9")

Day 5 Date 06-23-08 Monday

7:00 am – Drilling @ 2275'
 Ran 19.75 hours drilling. Down 4.25 hours (.75 rig check, 1.50 rig repair, 1.50 connection, .50 jet)
 Mud properties: wt. 9.3, vis. 29
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$2,395.10
 Wt. on bit: 30,000, 80 RPM, 800# pump pressure
 17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'
 12 ¼" bit #1 (in @ 235' out @ 1004') = 8.50 hrs. - 520'
 7 7/8" bit #1 (in @ 1004') = 44.25 hrs. - 1806'

Fuel usage: 379.50 gals (56" used 11")

Day 6 Date 06-24-08 Tuesday

7:00 am – Drilling @ 2810'
 Ran 20.25 hours drilling. Down 3.75 hours (.75 rig check, 1.50 connection, .25 jet, 1.25 displace @ 2851')
 Mud properties: wt. 8.9, vis. 44
 Daily Mud Cost = \$4,583.40. Mud Cost to Date = \$6,978.50
 Wt. on bit: 30,000, 80 RPM, 750# pump pressure
 17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'
 12 ¼" bit #1 (in @ 235' out @ 1004') = 8.50 hrs. - 520'
 7 7/8" bit #1 (in @ 1004') = 64.50 hrs. - 2336'

Fuel usage: 345.00 gals (74" used 10") 56" + 28" delivered = 84"

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MORNING DRILLING REPORT				Fax to: Allen Bangert & Mai Oil			
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800			Wellsite Geologist: Jim Musgrove	WELL NAME		Smith #1	
Rig #2 Phone Numbers				LOCATION		1200' FSL & 1030' FWL Sec. 25-29S-14W Pratt County, KS	
620-617-5921	Rig Cellular (Dog house)	Yes		Mai Oil Operations, Inc. 8411 Preston Road, Suite 800 Dallas, TX 75225 214-219-8883			
620-617-5920	Geologist Trailer Cellular	No		ELEVATION			
620-450-7682	Tool Pusher Cellular	Yes	LeWayne Tresner	G.L. 1916'	K.B. 1925'	API# 15-151-22299-00-00	

Driving Directions: From Coats: 1 mile East, 1 ¼ miles South, East into.

Day 7 Date 06-25-08 Wednesday

7:00 am – Drilling @ 3340'
Ran 19.00 hours drilling. Down 5.00 hours (1.00 rig check, 1.00 connection, .25 jet, 2.75 rig repair)
Mud properties: wt. 8.9, vis. 46, water loss 10.4
Daily Mud Cost = \$1,791.40. Mud Cost to Date = \$8,769.90
Wt. on bit: 30,000, 80 RPM, 750# pump pressure
17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'
12 ¼" bit #1 (in @ 235' out @ 1004') = 8.50 hrs. - 520'
7 7/8" bit #1 (in @ 1004') = 83.50 hrs. - 2719'

Fuel usage: 379.50 gals (63" used 11")

Day 8 Date 06-26-08 Thursday

7:00 am – Rig repair @ 3723'
Ran 14.50 hours drilling. Down 9.50 hours (8.50 rig repair, .25 rig check, .50 connection, .25 jet)
Mud properties: wt. 9.2, vis. 50, water loss 9.6
Daily Mud Cost = \$791.60. Mud Cost to Date = \$9,561.50
Wt. on bit: 30,000, 80 RPM, 750# pump pressure
17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'
12 ¼" bit #1 (in @ 235' out @ 1004') = 8.50 hrs. - 520'
7 7/8" bit #1 (in @ 1004') = 98.00 hrs. - 2936'

Fuel usage: 345.00 gals (53" used 10")

Day 9 Date 06-27-08 Friday

7:00 am – Drilling @ 3940'
Ran 17.50 hours drilling. Down 6.50 hours (.75 rig check, .75 connection, 3.50 rig repair, .25 jet, 1.00 CFS @ 4130', .25 CFS @ 4171')
Mud properties: wt. 8.8, vis. 50, water loss 9.6
Daily Mud Cost = \$1,286.35. Mud Cost to Date = \$10,847.85
Wt. on bit: 35,000, 80 RPM, 800# pump pressure
17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'
12 ¼" bit #1 (in @ 235' out @ 1004') = 8.50 hrs. - 520'
7 7/8" bit #1 (in @ 1004') = 115.50 hrs. - 3167'

Fuel usage: 345.00 gals (43" used 10")

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Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800			Wellsite Geologist: Jim Musgrove	WELL NAME		Smith #1	
Rig #2 Phone Numbers				LOCATION		1200' FSL & 1030' FWL Sec. 25-29S-14W Pratt County, KS	
620-617-5921	Rig Cellular (Dog house)	Yes		Mai Oil Operations, Inc. 8411 Preston Road, Suite 800 Dallas, TX 75225 214-219-8883			
620-617-5920	Geologist Trailer Cellular	No		ELEVATION			
620-450-7682	Tool Pusher Cellular	Yes	LeWayne Tresner	G.L. 1916'	K.B. 1925'	API# 15-151-22299-00-00	

Driving Directions: From Coats: 1 mile East, 1 ¼ miles South, East into.

Day 10 Date 06-28-08 Saturday

7:00 am - CFS @ 4171'

Ran 18.25 hours drilling. Down 5.75 hours (.75 rig check, .50 connection, .25 jet, .75 CFS @ 4171', 3.50 rig repair)

Mud properties: wt. 9.2, vis. 50, water loss 9.6

Daily Mud Cost = \$974.65. Mud Cost to Date = \$11,822.50

Wt. on bit: 35,000, 80 RPM, 800# pump pressure

17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'

12 ¼" bit #1 (in @ 235' out @ 1004') = 8.50 hrs. - 520'

7 7/8" bit #1 (in @ 1004') = 133.75 hrs. - 3399'

Fuel usage: 414.00 gals (31" used 12")

Day 11 Date 06-29-08 Sunday

Survey @ 4463' = ½ degree

Pipe strap = 1.52 long to the board

DST #1 (4439' - 4463')

Simpson Sand formation

Packer failed - misrun

7:00 am - Replacing swivel @ 4403'

Ran 4.75 hours drilling. Down 19.25 hours (11.75 trip, .25 wait on orders, 4.25 rig repair, 1.50 CFS @ 4463', 1.00

CTCH, .25 survey, .25 DST #1)

Mud properties: wt. 9.4, vis. 48, water loss 10.4

Daily Mud Cost = \$779.90. Mud Cost to Date = \$12,602.40

Wt. on bit: 35,000, 80 RPM, 800# pump pressure

17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'

12 ¼" bit #1 (in @ 235' out @ 1004') = 8.50 hrs. - 520'

7 7/8" bit #1 (in @ 1004') = 138.50 hrs. - 3459'

Fuel usage: 241.50 gals (24" used 7")

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Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800			Wellsite Geologist: Jim Musgrove	WELL NAME		Smith #1	
Rig #2 Phone Numbers				LOCATION		1200' FSL & 1030' FWL Sec. 25-29S-14W Pratt County, KS	
620-617-5921	Rig Cellular (Dog house)	Yes		Mai Oil Operations, Inc. 8411 Preston Road, Suite 800 Dallas, TX 75225 214-219-8883			
620-617-5920	Geologist Trailer Cellular	No		ELEVATION		G.L. 1916'	K.B. 1925'
620-450-7682	Tool Pusher Cellular	Yes	LeWayne Tresner	API# 15-151-22299-00-00			

Driving Directions: From Coats: 1 mile East, 1 ¼ miles South, East into.

Day	12	Date	06-30-08	Monday	<u>DST #2 (4450' – 4463')</u> <u>Simpson Sand formation</u> <u>Packer failed – misrun</u>
					<u>DST #3 (4374' – 4463')</u> <u>Simpson Sand formation</u> <u>Recovered 30' slightly gassy mud</u> <u>& 30' gas in pipe</u>

7:00 am – Tripping in with DST #2 @ 4463'

Ran 1.75 hours drilling. Down 22.25 hours (2.00 CTCH, 14.75 trip, 1.00 rig repair, .25 DST #2, 3.50 DST #3, .50 wait on orders, .25 connection)

Mud properties: wt. 9.2, vis. 45, water loss 8.8

Daily Mud Cost = \$381.25. Mud Cost to Date = \$12,983.65

Wt. on bit: 35,000, 80 RPM, 800# pump pressure

17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'

12 ¼" bit #1 (in @ 235' out @ 1004') = 8.50 hrs. - 520'

7 7/8" bit #1 (in @ 1004') = 140.25 hrs. - 3491'

Fuel usage: 172.50 gals (48" used 5") 24" + 29" delivered = 53"

Day	13	Date	07-01-08	Tuesday	<u>Survey @ 4722' = 1 degree</u>
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RTD = 4722'

LTD = 4723'

7:00 am – Drilling @ 4495'

Ran 13.75 hours drilling. Down 10.25 hours (.50 rig check, .50 connection, .50 jet, 1.50 CFS @ 4722', 2.75 trip, 4.25 log, .25 survey)

Mud properties: wt. 9.2, vis. 52, water loss 12.8

Daily Mud Cost = \$1,632.55. Total Mud Cost = \$14,616.20

Wt. on bit: 35,000, 80 RPM, 800# pump pressure

17 ½" bit #1 (in @ 0' out @ 235') = 3.00 hrs. - 235'

12 ¼" bit #1 (in @ 235' out @ 1004') = 8.50 hrs. - 520'

7 7/8" bit #1 (in @ 1004' out @ 4722') = 154.00 hrs. - 3718'

Fuel usage: 345.00 gals (38" used 10")

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				LOCATION		1200' FSL & 1030' FWL Sec. 25-29S-14W Pratt County, KS	
Rig #2 Phone Numbers				Mai Oil Operations, Inc. 8411 Preston Road, Suite 800 Dallas, TX 75225 214-219-8883			
620-617-5921	Rig Cellular (Dog house)	Yes					
620-617-5920	Geologist Trailer Cellular	No					
620-450-7682	Tool Pusher Cellular	Yes	LeWayne Tresner	ELEVATION	G.L. 1916'	K.B. 1925'	API# 15-151-22299-00-00

Driving Directions: From Coats: 1 mile East, 1 ¼ miles South, East into.

Day	14	Date	07-02-08	Wednesday	DST #4 (4520' – 4569')
					<u>Simpson Sand formation</u>
					<u>Recovered ??</u>

7:00 am – Logging @ 4722'

Ran 0.00 hours drilling. Down 24.00 hours (1.75 log, .75 wait on tester, 5.50 trip, 3.50 DST #4, 1.00 nipple down, 7.00 lay down pipe, 1.00 plug, .50 wait on orders, 3.00 tear down)

Fuel usage: 138.00 gals (34" used 4")

Plug well with 265 sacks of 60/40 Poz, 4% gel.

1st plug @ 4620' with 50 sacks. 2nd plug @ 840' with 50 sacks. 3rd plug @ 240' with 90 sacks.

4th plug @ 40' with 50 sacks to surface. Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks.

Job complete @ 3:45 am on 07-03-08 by Allied Cementing (tk #34425)

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