

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: 8411 Preston Road, Suite 800, Dallas, TX 75225
Phone: (214) 219-8883 Operator License #: 5259
Type of Well: D & A Docket #: _____
(Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other) *(If SWD or ENHR)*
The plugging proposal was approved on: 12-01-08 (Date)
by: Pat Staab (KCC District Agent's Name)
Is ACO-1 filed? Yes No If not, is well log attached? Yes No
Producing Formation(s): List All (If needed attach another sheet)

API Number: 15 - 009-25293-00-00
Lease Name: Ney
Well Number: 1 NE SW
Spot Location (QQQQ): 20'S - 20'W - NE - SW
1960 Feet from North / South Section Line
1860 Feet from East / West Section Line
Sec. 32 Twp. 16 S. R. 14 East West
County: Barton
Date Well Completed: D & A
Plugging Commenced: 12-03-08
Plugging Completed: 12-03-03

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

Oil, Gas or Water Records		Casing Record (Surface Conductor & Production)				
Formation	Content	From	To	Size	Put In	Pulled Out
*see attached drilling report		0'	451.00'	8 5/8" used 25#	441.09'	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.

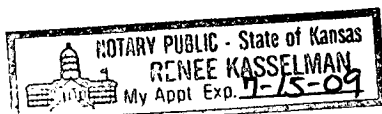
Plug well with 190 sacks of 60/40 Poz, 4% gel, 1/4# floeal per sack.
1st plug @ 3465' with 25 sacks. 2nd plug @ 1000' with 25 sacks. 3rd plug @ 560' with 100 sacks.
4th plug @ 40' with 10 sacks to surface. Plug rat hole with 30 sacks.
Job complete @ 8:45 a.m. on 12-03-08 by Allied Cementing (tk #34904)

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

RECEIVED
KANSAS CORPORATION COMMISSION
DEC 08 2008
CONSERVATION DIVISION
WICHITA, KS

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

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 5 day of December, 2008
Renee Kasselmann My Commission Expires: 7-15-09
Notary Public

Handwritten initials/signature

**SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS**

Lease: Ncy #1

Plugging received from KCC representative:

Name: Patrick Staab Date 12-1-08 Time 3:25

1st plug @ 3465 ft. 25 sx. Stands: 55 1/2

2nd plug @ 1000 ft. 25 sx. Stands: 16

3rd plug @ 560 ft. 100 sx. Stands: 9

4th plug @ 40 ft. 10 sx. Stands: 1

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

Mousehole _____ sx.

Rahole 30 sx.

Total Cement used: 190 sx.

Type of cement 60/40 POZ, 4% Gel, 1/4" Flo Seal Pet SK.

Plug down @ 8:45 Aim 12-03-08

Call KCC When Completed:

Name: Ray Dinkie Date 12-03-08 Time 8:55

RECEIVED
KANSAS CORPORATION COMMISSION

DEC 08 2008

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., LLC.

4688

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

SERVICE POINT: _____

DATE	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
LEASE	WELL #		LOCATION			COUNTY	STATE
OLD OR NEW (Circle one)							

CONTRACTOR _____
 TYPE OF JOB _____
 HOLE SIZE _____ T.D. _____
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER _____
 CEMENT AMOUNT ORDERED _____

 COMMON _____ @ _____
 POZMIX _____ @ _____
 GEL _____ @ _____
 CHLORIDE _____ @ _____
 ASC _____ @ _____

EQUIPMENT

PUMP TRUCK CEMENTER _____
 # _____ HELPER _____
 BULK TRUCK _____
 # _____ DRIVER _____
 BULK TRUCK _____
 # _____ DRIVER _____

_____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 HANDLING _____ @ _____
 MILEAGE _____ @ _____

RECEIVED
 KANSAS CORPORATION COMMISSION
 DEC 08 2008
 CONSERVATION DIVISION
 WICHITA, KS

REMARKS:

TOTAL _____

SERVICE

DEPTH OF JOB _____
 PUMP TRUCK CHARGE _____
 EXTRA FOOTAGE _____ @ _____
 MILEAGE _____ @ _____
 MANIFOLD _____ @ _____
 _____ @ _____
 _____ @ _____

CHARGE TO: _____
 STREET _____
 CITY _____ STATE _____ ZIP _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

_____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____

TOTAL _____

To Allied Cementing Co., LLC.
 You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

SALES TAX (If Any) _____

TOTAL CHARGES _____

PRINTED NAME _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE _____

SOUTHWIND DRILLING, INC.

RIG #3

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

DRILLING REPORT

Ney #1

Location: 1960' FSL & 1860' FWL
API#: 15-009-25293-00-00

Section 32-16S-14W
Barton County, Kansas

OWNER: : Mai Oil Operations, Inc.
CONTRACTOR: Southwind Drilling, Inc. Rig #3

COMMENCED: 11-21-08
COMPLETED: 12-03-08

TOTAL DEPTH: Driller: 3550'
Logger: 3551'

Ground Elevation: 1997'
KB Elevation: 2005'

LOG :

0'	-	989'	Redbed/Shale
989'	-	1014'	Anhydrite
1014'	-	1835'	Redbed/Shale
1835'	-	2155'	Shale
2155'	-	3550'	Lime/Shale
		3550'	RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 12 joints of 25# used 8 5/8" surface casing. Tally @ 441.09'. Set @ 451.00'. Cement with 225 sacks of 60/40 Poz, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 2:30 a.m. on 11-22-08 by Allied (tkr #34960).

Production casing – 5 1/2"

None – plugged the well

DEVIATION SURVEYS

1 1/2 degree (s)	@	451'
0 degree (s)	@	3100'

RECEIVED
KANSAS CORPORATION COMMISSION

DEC 08 2008

CONSERVATION DIVISION
WICHITA, KS

MORNING DRILLING REPORT		Fax to: Allen Bangert & Mai Oil / Email to: Kitt Noah			
Southwind Drilling, Inc. PO Box 276 - 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Kitt Noah 316-841-9510		WELL NAME Ney #1	
				LOCATION 1960' FSL & 1860' FWL Sec. 32-16S-14W Barton County, KS	
Rig #3 Phone Numbers		Mai Oil Operations, Inc. 8411 Preston Road, Suite 800 Dallas, TX 75225 214-219-8883			
620-566-7104	Rig Cellular (Dog house)				
620-566-7108	Geologist Trailer Cellular				
620-617-4477	Tool Pusher Cellular	Jay Krier		ELEVATION G.L. 1997' K.B. 2005' API# 15-009-25293-00-00	

Driving Directions: From Galatia: 3 miles East to NW 70 Ave., 2 miles South to NW 170 Rd, North into.

Day 1 Date 11-21-08 Friday Survey @ 451' = 1 1/2 degrees

Moved Rig #3 on location

Spud @ 3:00 p.m.

Ran 6.50 hours drilling (1.00 drill rat hole, 5.50 drill 12 1/4"). Down 17.50 hours (7.00 rig up, .25 circulate, .50 trip, .25 survey, 2.50 run casing/cement, 4.50 wait on cement, 2.50 connection)

Mud properties: spud mud

Daily Mud Cost = \$0.00. Mud Cost to Date = \$0.00

Wt. on bit: 15,000, 120 RPM, 500# pump pressure

12 1/4" bit #1 (in @ 0' out @ 451') = 5.50 hrs. - 451'

1" fuel = 39.00 gals.

Fuel usage: 156.00 gals. (72" used 4") Start @ 40" + 36" delivered = 76"

Ran 12 joints of 25# used 8 5/8" surface casing. Tally @ 441.09'. Set @ 451.00'. Cement with 225 sacks of 60/40 Poz, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 2:30 a.m. on 11-22-08 by Allied (tk #34960).

Day 2 Date 11-22-08 Saturday Anhydrite (989' - 1014')

7:00 am - Waiting on cement @ 451'

Ran 13.50 hours drilling. Down 10.50 hours (.50 rig check, 1.75 rig repair, 1.25 jet, 3.50 wait on cement, .25 drill plug, 3.25 connection)

Mud properties: spud mud

Daily Mud Cost = \$419.75. Mud Cost to Date = \$419.75

Wt. on bit: 30,000, 80 RPM, 800# pump pressure

12 1/4" bit #1 (in @ 0' out @ 451') = 5.50 hrs. - 451'

7 7/8" bit #1 (in @ 451') = 13.50 hrs. - 1384'

Fuel usage: 429.00 gals. (61" used 11")

Day 3 Date 11-23-08 Sunday

7:00 am - Drilling @ 1835'

Ran 18.50 hours drilling. Down 5.50 hours (.75 rig check, 1.75 rig repair, 1.25 jet, 1.75 connection)

Mud properties: spud mud

Daily Mud Cost = \$0.00. Mud Cost to Date = \$419.75

Wt. on bit: 30,000, 80 RPM, 900# pump pressure

12 1/4" bit #1 (in @ 0' out @ 451') = 5.50 hrs. - 451'

7 7/8" bit #1 (in @ 451') = 32.00 hrs. - 2131'

Fuel usage: 429.00 gals. (50" used 11")

RECEIVED
KANSAS CORPORATION COMMISSION

DEC 08 2008

CONSERVATION DIVISION
WICHITA, KS

MORNING DRILLING REPORT		Fax to: Allen Bangert & Mai Oil / Email to: Kitt Noah			
Southwind Drilling, Inc. PO Box 276 - 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Kitt Noah 316-841-9510		WELL NAME	Ney #1
				LOCATION	1960' FSL & 1860' FWL Sec. 32-16S-14W Barton County, KS
Rig #3 Phone Numbers				Mai Oil Operations, Inc. 8411 Preston Road, Suite 800 Dallas, TX 75225 214-219-8883	
620-566-7104	Rig Cellular (Dog house)				
620-566-7108	Geologist Trailer Cellular				
620-617-4477	Tool Pusher Cellular		Jay Krier		
		ELEVATION	G.L. 1997'	K.B. 2005'	API# 15-009-25293-00-00

Driving Directions: From Galatia: 3 miles East to NW 70 Ave., 2 miles South to NW 170 Rd, North into.

Day 4 Date 11-24-08 Monday Survey @ 3100' = 0 degrees

7:00 am - Drilling @ 2582'

Ran 18.50 hours drilling. Down 5.50 hours (.50 rig check, 1.25 rig repair, .25 survey, 1.25 connection, 1.00 displace @ 2774', .50 CTCH, .75 trip,)

Mud properties: wt. 8.8, vis. 64

Daily Mud Cost = \$0.00. Mud Cost to Date = \$419.75

Wt. on bit: 30,000, 80 RPM, 1000# pump pressure

12 1/4" bit #1 (in @ 0' out @ 451') = 5.50 hrs. - 451'

7 7/8" bit #1 (in @ 451' out @ 3100') = 50.50 hrs. - 2649'

Fuel usage: 468.00 gals. (38" used 12")

Day 5 Date 11-25-08 Tuesday

7:00 am - Tripping out of hole @ 3100' to shut down for the Thanksgiving Holiday

Ran 0.00 hours drilling. Down 24.00 hours (1.50 trip, 6.50 rig repair, 16.00 down for Holiday)

Mud properties: wt. 8.8, vis. 64

Daily Mud Cost = \$0.00. Mud Cost to Date = \$419.75

Wt. on bit: 30,000, 80 RPM, 1000# pump pressure

12 1/4" bit #1 (in @ 0' out @ 451') = 5.50 hrs. - 451'

7 7/8" bit #1 (in @ 451' out @ 3100') = 50.50 hrs. - 2649'

Fuel usage: 468.00 gals. (38" used 0")

Day 6 Date 11-26-08 Wednesday

7:00 am - Shut Down for the Thanksgiving Holiday @ 3100'

Fuel usage: 468.00 gals. (38" used 0")

Day 7 Date 11-27-08 Thursday

7:00 am - Shut Down for the Thanksgiving Holiday @ 3100'

Fuel usage: 468.00 gals. (38" used 0")

Day 8 Date 11-28-08 Friday

7:00 am - Shut Down for the Thanksgiving Holiday @ 3100'

Fuel usage: 468.00 gals. (63" used 0") 38" + 25" delivered = 63"

RECEIVED
KANSAS CORPORATION COMMISSION

DEC 08 2008

CONSERVATION DIVISION
WICHITA KS

MORNING DRILLING REPORT		Fax to: Allen Bangert & Mai Oil / Email to: Kitt Noah			
Southwind Drilling, Inc. PO Box 276 - 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Kitt Noah 316-841-9510		WELL NAME Ney #1	
				LOCATION 1960' FSL & 1860' FWL Sec. 32-16S-14W Barton County, KS	
Rig #3 Phone Numbers		Mai Oil Operations, Inc. 8411 Preston Road, Suite 800 Dallas, TX 75225 214-219-8883			
620-566-7104	Rig Cellular (Dog house)				
620-566-7108	Geologist Trailer Cellular				
620-617-4477	Tool Pusher Cellular	Jay Krier		ELEVATION	G.L. 1997' K.B. 2005' API# 15-009-25293-00-00

Driving Directions: From Galatia: 3 miles East to NW 70 Ave., 2 miles South to NW 170 Rd, North into.

Day 9 Date 11-29-08 Saturday Survey @ 3100' = 0 degrees

7:00 am – Shut Down for the Thanksgiving Holiday @ 3100'
Ran 8.50 hours drilling. Down 15.50 hours (1.25 CTCH, 1.00 CFS @ 3150', 1.25 CFS @ 3200', 1.00 CFS @ 3250', 1.00 CFS @ 3275', 5.50 trip, .25 rig check, 2.00 rig repair, 2.00 DST #1, .25 connection)
Mud properties: wt. 9.3, vis. 54, water loss 16.00
Daily Mud Cost = \$969.75. Mud Cost to Date = \$5,454.00
Wt. on bit: 30,000, 80 RPM, 800# pump pressure
12 1/4" bit #1 (in @ 0' out @ 451') = 5.50 hrs. - 451'
7 7/8" bit #1 (in @ 451') = 59.00 hrs. - 2649'

Fuel usage: 351.00 gals. (54" used 9")

Day 10 Date 11-30-08 Sunday DST #1 (3235' – 3275')

LKC "B – C" formation
Recovered 110' mud cut water

7:00 am – On bottom with DST #1 @ 3275'
Ran 11.50 hours drilling. Down 12.50 hours (1.00 CTCH, 1.00 CFS @ 3320', 1.25 CFS @ 3430', 1.25 CFS @ 3470', 1.00 CFS @ 3482', 1.00 CFS @ 3492', 3.50 trip, .50 rig check, .75 rig repair, 1.00 DST #1, .25 connection, .25 jet)
Mud properties: wt. 9.3, vis. 54, water loss 16.0
Daily Mud Cost = \$0.00. Mud Cost to Date = \$5,454.00
Wt. on bit: 30,000, 80 RPM, 800# pump pressure
12 1/4" bit #1 (in @ 0' out @ 451') = 5.50 hrs. - 451'
7 7/8" bit #1 (in @ 451') = 70.50 hrs. - 392'

Fuel usage: 429.00 gals. (43" used 11")

Day 11 Date 12-01-08 Monday DST #2 (3486' – 3497')

Arbuckle formation
Recovered 5' mud & 10' oil

DST #3 (3497' – 3502')
Arbuckle formation
Misrun

7:00 am – CFS @ 3492'
Ran 0.75 hours drilling. Down 23.25 hours (1.75 CTCH, .75 CFS @ 3492', 1.00 CFS @ 3497', 1.25 CFS @ 3502', 12.50 trip, 3.00 DST #2, 3.00 DST #3)
Mud properties: wt. 9.0, vis. 48, water loss 11.2
Daily Mud Cost = \$2,014.48. Mud Cost to Date = \$7,468.48
Wt. on bit: 30,000, 80 RPM, 800# pump pressure
12 1/4" bit #1 (in @ 0' out @ 451') = 5.50 hrs. - 451'
7 7/8" bit #1 (in @ 451') = 71.25 hrs. - 402'

Fuel usage: 312.00 gals. (35" used 8")

RECEIVED
KANSAS CORPORATION COMMISSION

DEC 08 2008

CONSERVATION DIVISION
WICHITA, KS

MORNING DRILLING REPORT		Fax to: Allen Bangert & Mai Oil / Email to: Kitt Noah			
Southwind Drilling, Inc. PO Box 276 - 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Kitt Noah 316-841-9510		WELL NAME	Ney #1
				LOCATION	1960' FSL & 1860' FWL Sec. 32-16S-14W Barton County, KS
Rig #3 Phone Numbers				Mai Oil Operations, Inc. 8411 Preston Road, Suite 800 Dallas, TX 75225 214-219-8883	
620-566-7104	Rig Cellular (Dog house)				
620-566-7108	Geologist Trailer Cellular				
620-617-4477	Tool Pusher Cellular		Jay Krier		
				ELEVATION	G.L. 1997' K.B. 2005' API# 15-009-25293-00-00

Driving Directions: From Galatia: 3 miles East to NW 70 Ave., 2 miles South to NW 170 Rd, North into.

Day	12	Date	12-02-08	Tuesday	DST #4 (3495' – 3505')
					Arbuckle formation
					Recovered 20' oil & 160' oil cut
					muddy water

RTD = 3550'

LTD = 3551'

7:00 am – CTCH after DST #3 @ 3502'

Ran 1.50 hours drilling. Down 22.50 hours (1.50 CFS @ 3550', .75 CTCH, 6.25 trip, 5.00 log, 3.00 DST #4, .75 wait on tester, .75 wait on orders, 1.25 nipple down, 3.25 lay down pipe)

Mud properties: wt. 9.2, vis. 54

Daily Mud Cost = \$0.00. **Total Mud Cost = \$7,468.48**

Wt. on bit: 30,000, 80 RPM, 800# pump pressure

12 1/4" bit #1 (in @ 0' out @ 451') = 5.50 hrs. - 451'

7 7/8" bit #1 (in @ 451' out @ 3550') = 72.75 hrs. - 3099'

Fuel usage: 156.00 gals. (31" used 4")

Day	13	Date	12-03-08	Wednesday
-----	----	------	----------	-----------

7:00 am – Plugging the well @ 3550'

Ran 0.00 hours drilling. Down 16.00 hours (.75 lay down pipe, 1.00 plug, 14.25 tear down)

Fuel usage: 39.00 gals. (30" used 1")

Plug well with 190 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.

1st plug @ 3465' with 25 sacks. 2nd plug @ 1000' with 25 sacks. 3rd plug @ 560' with 100 sacks.

4th plug @ 40' with 10 sacks to surface. Plug rat hole with 30 sacks.

Job complete @ 8:45 a.m. on 12-03-08 by Allied Cementing (tk #34904)

RECEIVED
KANSAS CORPORATION COMMISSION

DEC 08 2008

CONSERVATION DIVISION
WICHITA MO