

For KCC Use: **7-1-2009**  
 Effective Date: **7-1-2009**  
 District #: **4**  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 October 2007  
**Form must be Typed**  
**Form must be Signed**  
**All blanks must be Filled**

**NOTICE OF INTENT TO DRILL**

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

Expected Spud Date: **07/06/2009**  
 month day year

OPERATOR: License# **5259**  
 Name: **Mai Oil Operations, Inc.**  
 Address 1: **P.O. Box 33**  
 Address 2:  
 City: **Russell** State: **Ks.** Zip: **67665**  
 Contact Person: **Allen Bangert**  
 Phone: **785-483-2169**  
 CONTRACTOR: License# **33350**  
 Name: **Southwind Drilling, 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"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic: # of Holes	<input checked="" type="checkbox"/> Wildcat	
<input type="checkbox"/> Other:	<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 #: \_\_\_\_\_

Spot Description: **15° South & 70° West**  
 NW SW NW Sec. **18** Twp. **17** S. R. **14**  E  W  
 (a-a-a) **1,665** feet from  N /  S Line of Section  
**260** 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: **Axman-Yarmer Unit** Well #: **1**  
 Field Name: **Wildcat**

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): **Arbuckle**

Nearest Lease or unit boundary line (in footage): **330'**  
 Ground Surface Elevation: **1914** 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: **260-180**  
 Depth to bottom of usable water: **120-260**

Surface Pipe by Alternate:  I  II  
 Length of Surface Pipe Planned to be set: **440'**

Length of Conductor Pipe (if any): **None**  
 Projected Total Depth: **3465'**  
 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 w/pooling clauses submitted.*

**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 correct to the best of my knowledge and belief.

Date: **06/25/2009** Signature of Operator or Agent: *Allen Bangert* Title: **Prod. Supt.**

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 KCC WICHITA

**For KCC Use ONLY**  
 API # 15 - **009-25326-00-00**  
 Conductor pipe required **None** feet  
 Minimum surface pipe required **380** feet per ALT.  I  II  
 Approved by: **FWH 6-26-2009**  
 This authorization expires: **6-26-2010**  
 (This authorization void if drilling not started within 12 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 (within 60 days);
- 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 Date: \_\_\_\_\_  
 Signature of Operator or Agent: \_\_\_\_\_

18  
17  
14  
 E  
 W

**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 - 009-25326-00-00

Operator: Mai Oil Operations, Inc.

Lease: Axman-Yarmer Unit

Well Number: 1

Field: Wildcat

Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - NW - SW - NW

Location of Well: County: Barton

1,665 feet from  N /  S Line of Section

260 feet from  E /  W Line of Section

Sec. 18 Twp. 17 S. R. 14  E  W

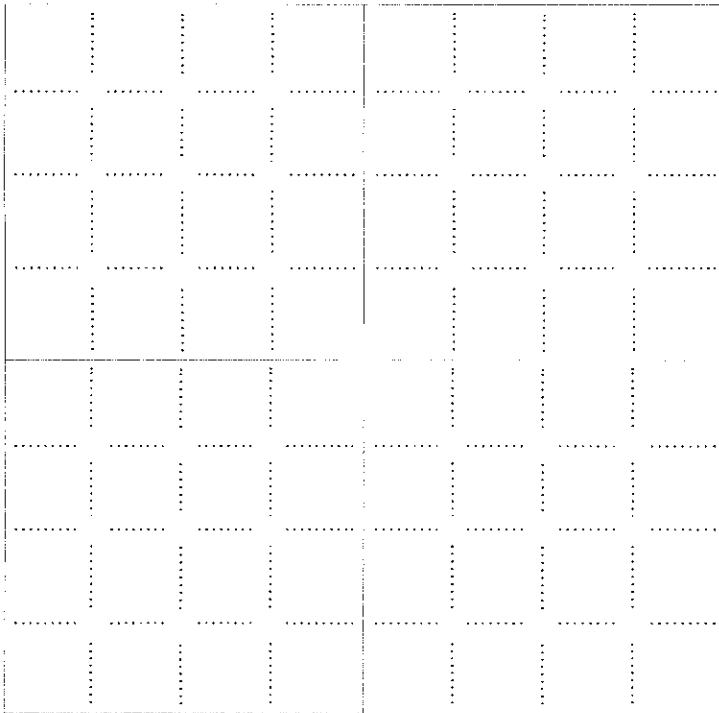
Is Section:  Regular or  Irregular

**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

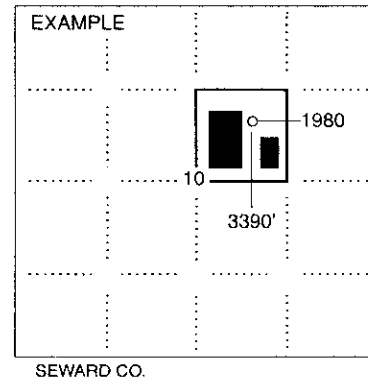
**PLAT**

*(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 locaton.**

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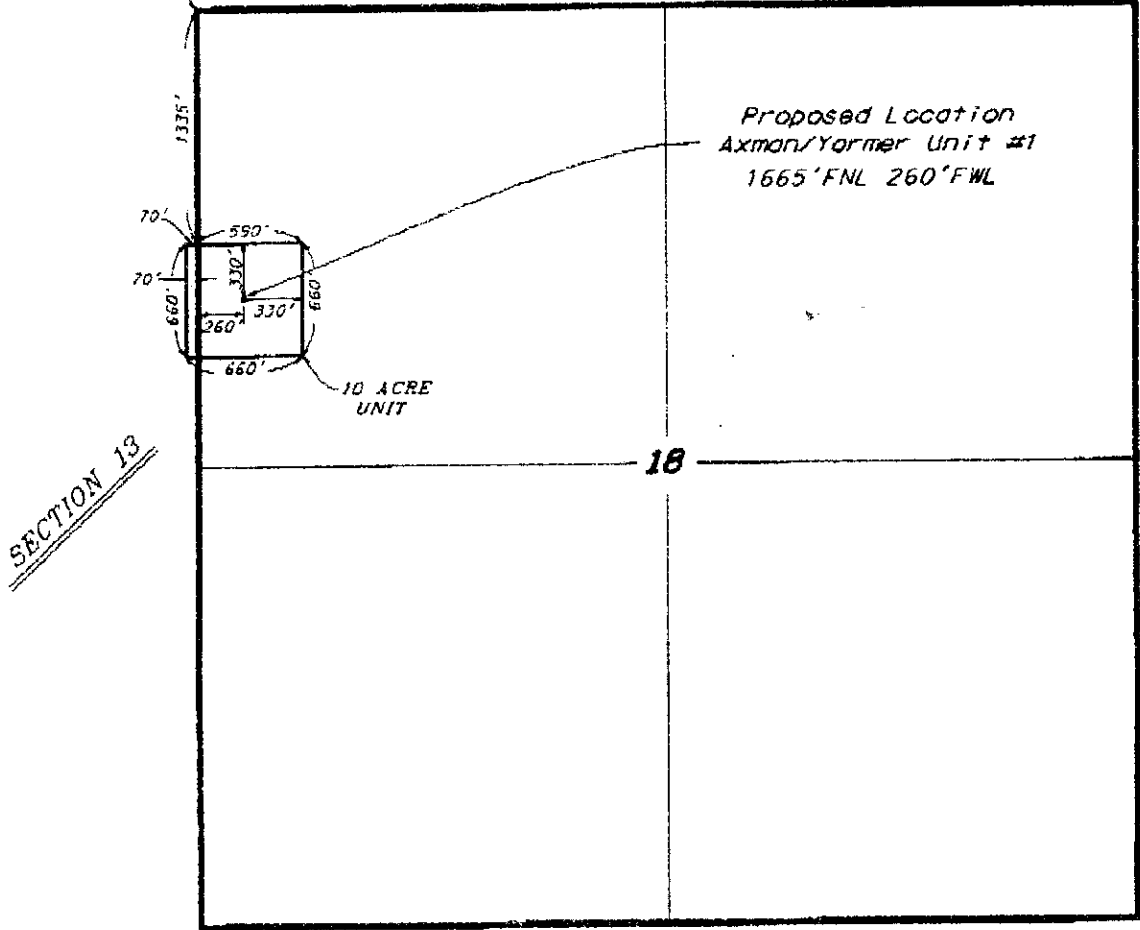
**In plotting the proposed location of the well, you must show:**

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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).

MAI OIL OPERATIONS, INC.  
 AXMAN/YARMER UNIT LEASE  
 IN NW 1/4, SECTION 18, T17S, R14W AND IN NE 1/4, SECTION 13, T17S, R15W  
 BARTON COUNTY, KANSAS

15-009-25326-00-00

APP. NW COR.  
SEC. 18



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 KCC WICHITA

UNIT DESCRIPTION

That part of the Northwest Quarter of Section 18, Township 17 South, Range 14 West and the Northeast Quarter of Section 13, Township 17 South, Range 15 West of the 6th Principal Meridian, Barton County, Kansas, described as follows:  
 Commencing at the northwest corner of said Section 18; thence on an assumed bearing of South, along the west line of the Northwest Quarter of said section, a distance of 1335.00 feet to the point of beginning of the unit to be described; thence on a bearing of East a distance of 550.00 feet; thence on a bearing of South a distance of 660.00 feet; thence 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 70.00 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 surveys and practices in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located and the exact location of the definite location in the section is not guaranteed, therefore, the operator securing this service and accepting this plot and all other services relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all taxes, costs and expenses and hold entities released from any liability from incidental or consequential damages.  
 \* Elevations derived from National Geodetic Vertical Datum.

Date June 16, 2009

**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>785-483-2169</b>
Lease Name & Well No.: <b>Axman-Yarmer Unit #1</b>		Pit Location (QQQQ): _____ NW _____ SW _____ NW Sec. <u>18</u> Twp. <u>17</u> R. <u>14</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1,665</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>260</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Barton</b> _____ County
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: <u>500</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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): <u>75</u> Length (feet) <u>75</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>3</u> (feet) <input type="checkbox"/> No Pit		
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 <u>2743</u> feet    Depth of water well <u>114</u> feet		Depth to shallowest fresh water <u>12</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> 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: <u>Drilling Mud</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Let dry and backfill</u> 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.		
<u>06/25/2009</u> Date	 Signature of Applicant or Agent	<b>RECEIVED</b> <b>JUN 26 2009</b> <b>KCC WICHITA</b>
<b>KCC OFFICE USE ONLY</b>		
Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>		
Date Received: <u>6/26/09</u> Permit Number: _____    Permit Date: <u>6/26/09</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15009-25326-00-00



Mark Parkinson, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner

June 26, 2009

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

RE: Drilling Pit Application  
Axman-Yarmer Unit Lease Well No. 1  
NW/4 Sec. 18-17S-14W  
Barton County, Kansas

Dear Sir or Madam:

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. Keep pits away from any draws/creek.

**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: district