

For KCC Use:

Effective Date:

District #

SGA? ☐ Yes ☒ NoKANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1

October 2007

Form must be Typed

Form must be Signed

All blanks must be Filled

Expected Spud Date: 9/01/2009
month day yearOPERATOR: 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: 785-483-2169CONTRACTOR: License# 33350
Name: Southwind Drilling, Inc.Well Drilled For: ☒ Oil ☐ Gas ☐ Seismic; # of Holes ☐ Other:
Well Class: ☐ Enh Rec ☐ Storage ☐ Disposal ☒ 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 Description: 90° South & 40° East
SW NW SE Sec. 28 Twp. 17 S. R. 15 ☐ E ☒ W
(a-a-a) 1,560 feet from ☐ N / ☒ S Line of Section
370 feet from ☐ E / ☒ W Line of SectionIs SECTION: ☒ Regular ☐ Irregular?

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

County: Barton
Lease Name: Stoss-Neeland Unit Well #: 1
Field Name: WildcatIs this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Arbuckle

Nearest Lease or unit boundary line (in footage): 330'

Ground Surface Elevation: 2005 feet MSL

Water well within one-quarter mile: ☐ Yes ☒ NoPublic water supply well within one mile: ☐ Yes ☒ No

Depth to bottom of fresh water: 120'

Depth to bottom of usable water: 420'

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: 3630'

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: 8-21-2009

Signature of Operator or Agent:

Allen Bangert

Title: Prod. Supt.

For KCC Use ONLY

API # 15 - 009-25343-00-00

Conductor pipe required None feet

Minimum surface pipe required 440 feet per ALT. ☒ I ☐ II

Approved by: Russ 8-25-2009

This authorization expires: 8-25-2010
(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:

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

RECEIVED

AUG 24 2009

KCC WICHITA

28 17 15 ☐ ☒

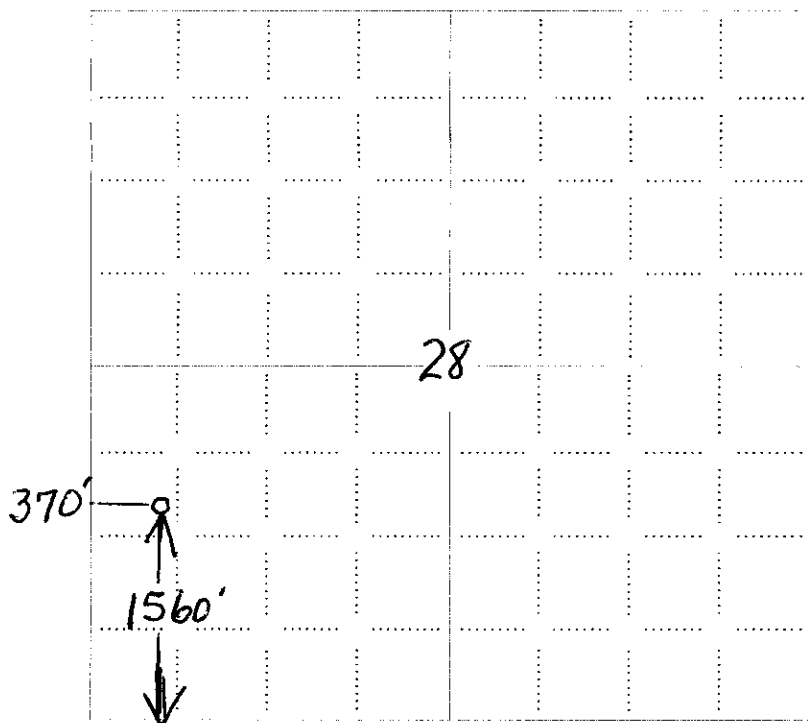
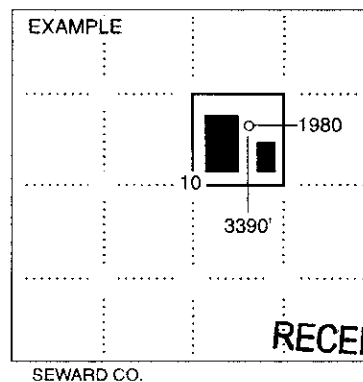
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW*Plat of acreage attributable to a well in a prorated or spaced field*

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 - 009-25343-00-00Operator: Mai Oil Operations, Inc.Lease: Stoss-Neeland UnitWell Number: 1Field: Wildcat

Number of Acres attributable to well: _____

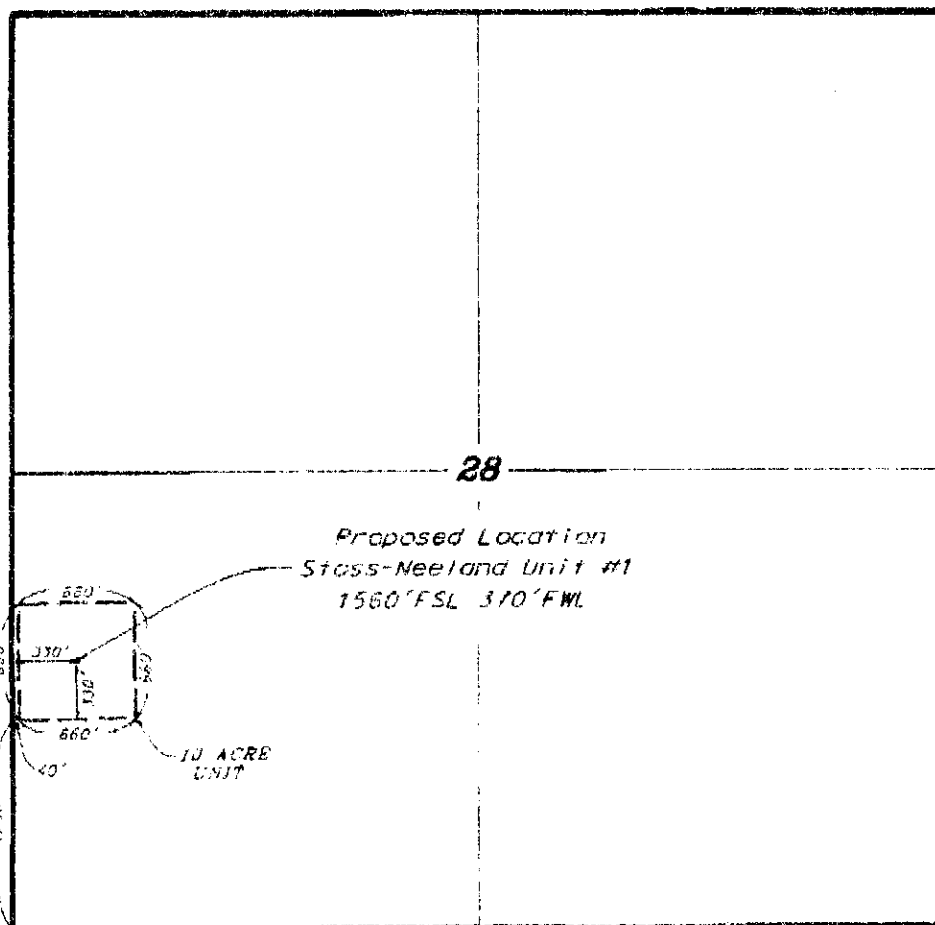
QTR/QTR/QTR/QTR of acreage: _____ - SW - NW - SW

Location of Well: County: Barton1,560 feet from ☐ N / ☒ S Line of Section370 feet from ☐ E / ☒ W Line of SectionSec. 28 Twp. 17 S. R. 15 ☐ E ☒ WIs 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.****RECEIVED****AUG 24 2009****KCC WICHITA****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).

MAJ OIL OPERATIONS, INC.
STOSS-NEELAND UNIT LEASE
IN SW 1/4, SECTION 28, T17S, R15W
BARTON COUNTY, KANSAS

15-009-25343-000



SCALE 1" = 1000'

APP. SW. COR.
SEC. 28

UNIT DESCRIPTION

That part of the Southwest Quarter of Section 28, Township 17 South, Range 15 West of the 6th Principal Meridian, Barton County, Kansas, described as follows:
Commencing at the southwest corner of said Section 28; thence on an assumed bearing of North, along the west line of the Southwest Quarter of said section, a distance of 1230.00 feet; thence on a bearing of East a distance of 40.00 feet to the point of beginning of the unit to be described; thence continuing on a bearing of East a distance of 660.00 feet; thence on a bearing of North a distance of 660.00 feet; thence on a bearing of West 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.

* Subsequent section lines were determined using the corner monument of said oil field survey, intersecting in the State of Kansas. The section corners, which establish the precise location of the unit, were not located, and the exact location of the unit is based on the best available information. Therefore, the operator securing this survey and recording this plat and the other units in this section agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all claims, costs and expenses which may be incurred by any third party as a result of or consequence of this plat.

* Elevation derived from National Geodetic Survey Data.

GARY

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AUG 24 2009

August KCC-WICHITA

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)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: 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.: Stoss-Neeland Unit #1		Pit Location (QQQQ): _____ SW _____ NW _____ SW Sec. <u>28</u> Twp. <u>17</u> R. <u>15</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1,560</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>370</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Barton _____ 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: 500 (bbls)		
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): <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>2874</u> feet Depth of water well <u>212</u> feet		Depth to shallowest fresh water <u>155</u> feet. Source of information: <u>NR-KCC</u> <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KOWR	
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: <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.			
8-21-2009 Date		<div style="text-align: center;"> Signature of Applicant or Agent </div>	

15-009-25343-00-00

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>
Date Received: <u>8/24/09</u>	Permit Number: _____	Permit Date: <u>8/24/09</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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