

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

September 18, 2009

GARY L BRUNARDT BRUNGARDT OIL & LEASING INC P O BOX 871 213 W 17TH ST RUSSELL KS 67665

RE: LEASE: APPLEGATE POOL 1

LEGAL: 150'FNL-1650'FWL 34-09S-12W

COUNTY: OSBORNE API NO: 15141203770000

Dear Mr. Brungardt:

This letter is to inform you that you have been granted an extension of time in which to close the drilling pits associated with the drilling of the Applegate Pool 1 well.

The original 365 days for closure expired October 26, 2008. This extension will expire March 10, 2010. We urge you to make every effort to close these pits within this time frame. In the event there is water standing in these pits, please dewater and dispose of fluids in an authorized disposal facility to expedite closure. Extension of this time frame automatically extends the time period for filing the Closure of Surface Pit form.

Failure to close the pit or request an additional extension prior to the expiration date may result in a fine in accordance with K.A.R. 82-3-602(a). An additional extension will only be granted for good cause and after K.C.C. field staff has made an inspection of the site. Should field staff discover that said pit has been closed before the date of extension request, an administrative penalty may be assessed to you through K.C.C. invoice.

If you have any questions in this regard, please do not hesitate to contact Jonelle Rains at (316) 337-6226.

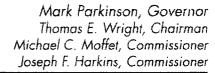
Doug Louis

Director

cc: Jonelle Rains

District 4#

Very sincerely yours





MEMORANDUM

To:

District 4

From: Sammy Flaharty

Date: 8/7/2009

Re: pit extensions

The following operators have requested additional extensions of time in which to fill the pits associated with the given lease. Please inspect the lease and let me know what your recommendations are. Your time and work are appreciated.

Brungardt Oil and Leasing Inc.
Applegate pool 1
150'FNL-1650'FWL 34-09-12W
Osborne county
15141203770000
Spud 10/26/07 pit extension expired

Spud 10/26/07 pit extension expired 6/23/09

Brungardt Oil & Leasing Inc.

Gary L. Brungardt, Owner P.O. Box 871 213 West Seventh Street Russell, Kansas 67665 (785) 483-4975



8/5/09

Corporosion Commissor

APT 15141203)70000

Applegate Pool

Osbonne Cag
34-9-12 W

I am asking for a 90 day expension and am sure it will dry enough to fill pixs. Any questions please coll Office 785-483-4975 Cell >85-445-2346

Thank your Sungards Srungards Oiland Leasing Inc.

KANSAS CORPORATION COMMISSION

AUG 0 7 2009 RECEIVED





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

August 3, 2009

Brungardt Oil and Leasing Inc. 529 E 14TH PO BOX 871 RUSSELL KS 67665 KANSAS CORPORATION COMMISSION

AUG 0 7 2009 RECEIVED

RE: NOTICE OF VIOLATION - 82-3-602

Dear Sir or Madam:

K.A.R. 82-3-602(a) states that drilling pits shall be closed within a maximum of 365 calendar days after the spud date of a well. Any pit permit may be extended upon written request by the operator and with the approval of the director. Failure to close any pit or to file an extension within the prescribed time limits shall be punishable by a \$250 penalty.

K.A.R. 82-3-602(c) states "Each operator of a pit shall file a pit closure form ... within 30 days after the closure of the pit. Failure to file the pit closure form in accordance with this subsection shall be punishable by a \$100 penalty".

According to our records a Closure of Surface Pit, form CDP-4 (April 2004), has not been filed and is past due for the following well:

 API NO.
 WELL
 LOCATION
 COUNTY
 SPUDDATE
 EXTENSION EXPIRATION

 15141203770000 APPLEGATE POOL 1
 34-9-12W
 OSBORNE
 10/26/2007
 6/23/2009

This requested information must be submitted by **August 26, 2009.** Failure to submit the requested information by this date may subject **Brungardt Oil and Leasing Inc.** to the assessment of the above referenced penalty(s). Conservation division forms are available through our office and on the KCC web site: http://kcc.ks.gov/conservation/forms/

Should you have any questions or concerns please contact Sammy Flaharty at (316) 337-6227.

Sincerely,

Jonelle Rains, Supervisor

Sorgelle Rains

Department of Environmental Protection and Remediation