



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

December 24, 2009

MAI OIL OPERATIONS INC
8411 PRESTON RD STE 800
DALLAS TX 75225

RE: LEASE: POPP 2
LEGAL: 2020'FSL-1800'FEL 04-16S-14W
COUNTY: BARTON
API NO: 15009250070000

Dear Sir/Madam:

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 Popp 2 well.

The original 365 days for closure expired December 15, 2007. This extension will expire June 18, 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.

Very sincerely yours,

Doug Louis
Director

cc: Jonelle Rains
District # 4

Sammy Flaharty

From: Case Morris
Sent: Friday, December 18, 2009 11:29 AM
To: Sammy Flaharty
Subject: RE: pit extension requests

Hi Sammy,

Go ahead and give them all a six month extension. Thanks and Merry Christmas. Case.

-----Original Message-----

From: Sammy Flaharty
Sent: Wednesday, December 16, 2009 1:53 PM
To: Case Morris
Subject: pit extension requests

Hi Case. Is it cold enough for you? It surely is for me. Anyway, I received some requests for additional pit extensions. The first pit belongs to Mai Oil Operations Inc. the state they request a 6 month extension due to the wet conditions. they have crowded the pit but it is too wet. The pit is as follows.

Hoffman 1
1030'FNL-850'FWL 19-16S-11W
Barton County
15009250080000
Spud 1/16/07 pit extension expired 10/21/09

The second pit also belongs to Mai Oil Operations Inc. the request a 6 month extension also to close the pit or wash down the well. The pit is as follows:

Popp 2
2020'FSL-1800'FEL 04-16S-14W
Barton county
15009250070000
Spud 12/15/06 pit extension expired 10/9/09

The third pit belongs to Citation Oil & Gas Corporation. The letter states that Marvin Mills has been on site and the conditions are too wet. The pit is as follows:

Wieland Unit 4-21
3445'FSL-140'FEL 01-13S-16W
Ellis county
15051253270000
Spud 5/17/07 pit extension expires 12/17/09

So let me know what you think should be done with these. Thanks Case. Have a Happy Holiday Season if I don't talk to you again before.

Sammy

12/18/2009



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

November 30, 2009

Mai Oil Operations, Inc.
8411 PRESTON RD STE 800
DALLAS TX 75225

RECEIVED

DEC 14 2009

KCC WICHITA

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:

<u>API NO.</u>	<u>WELL</u>	<u>LOCATION</u>	<u>COUNTY</u>	<u>SPUDDATE</u>	<u>EXTENSION EXPIRATION</u>
15009250070000	POPP 2	4-16-14W	BARTON	12/15/2006	10/9/2009

This requested information must be submitted by **December 18, 2009**. Failure to submit the requested information by this date may subject **Mai Oil Operations, 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

Jonelle Rains, Supervisor
Department of Environmental Protection and Remediation

*Would Request 6month Extension
To Close Pit or Wash down
Well*