


KANSAS
CORPORATION COMMISSION

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

May 8, 2009

ALLEN BANGERT
MAIL OIL OPERATIONS INC
8411 PRESTON RD STE 800
DALLAS TX 75225

RE: LEASE: HOFFMAN 1
LEGAL: 1030'FNL-850'FWL 19-16S-11W
COUNTY: BARTON
API NO: 15009250080000

Dear Mr. Bangert:

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 Hoffman 1 well.

The original 365 days for closure expired January 16, 2008. This extension will expire October 21, 2009. 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



Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

March 31, 2009

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

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:

Table with 6 columns: API NO., WELL, LOCATION, COUNTY, SPUDDATE, EXTENSION EXPIRATION. Row 1: 15009250080000, HOFFMAN 1, 19-16-11W, BARTON, 1/16/2007, 2/4/2009

This requested information must be submitted by April 24, 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,

Handwritten signature: Jonelle Rains

Jonelle Rains, Supervisor
Department of Environmental Protection and Remediation

RECEIVED

APR 21 2009

KCC WICHITA

Handwritten note: Need 6mo. Extension to finish Reserve pit. Allen Brought Mai Oil Operations Inc.

Sammy Flaharty

From: Case Morris

Sent: Monday, May 04, 2009 11:00 AM

To: Sammy Flaharty

Hi Sammy,

These are a little late but go ahead and give them extensions. Thanks. Case

Samuel Gary
Nicholson 1-1
1-18-13, Barton Co.
15009251150000

Mai Oil Operations
Hoffman #1
19-16-11, Barton Co.
15009250080000