

**KANSAS**
CORPORATION COMMISSION

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

March 27, 2009

BRANDI WYER
VAL ENERGY INC
200 W DOUGLAS AVE STE 520
WICHITA KS 67202

RE: LEASE: F & R HOOPS V1-25
LEGAL: 990'FSL-1320'FEL 25-33S-06W
COUNTY: HARPER
API NO: 15077216130000

Dear Ms. Wyer:

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 F & R Hoops V1-25 well.

The original 365 days for closure expired March 1, 2009. This extension will expire June 1, 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 # 2



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

Val Energy, Inc.
200 W DOUGLAS AVE STE 520
WICHITA KS 67202

March 10, 2009

Re: Closure of Drilling Pits
F AND R HOOPS Lease Well No. V1-25
N2S2SE 25-33S-6W
HARPER County, Kansas
API No. 15077216130000

Dear Sirs:

The above referenced well was spudded on 3/1/2008. According to K.A.R. 82-3-602, "Drilling pits ... shall be closed within a maximum of 365 calendar days after the spud date of a well". The subject drilling pits should have been closed by 3/1/2009. A Closure of Surface Pit, form CDP-4 (April 2004), should be filed within 30 days after the drilling pits are closed. **Conservation division forms are available through our office and on the KCC web site: <http://kcc.ks.gov/conservation/forms/>**

Should an extension be warranted, it must be received by 3/1/2009. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: 3/16/09

Reason for extension: OVER 1' OF WATER SHU IN PITS

Estimated period of time until pit closure: AS SOON AS PITS DRY

Failure to timely close the pit, file a request for an extension or file the closure form within the allotted time periods may result in assessment of an administrative penalty.

Your cooperation in this process is appreciated. If you have any questions or concerns, please call **Sammy Flaharty** at (316) 337-6227.

RECEIVED

MAR 18 2009

KCC WICHITA



VAL ENERGY, INC.

200 W. Douglas, Suite 520

Wichita, Kansas 67202

Office: (316) 263-6688 Fax: (316) 262-2512

March 17, 2009

Kansas Corporation Commission
130 S. Market # 2078
Wichita, KS 67202

Re: F & R Hoops #V1-25
N/2 S/2 SE SEC. 25-33S-6W
Harper County, Kansas
API: 15-007-721613

To Whom It May Concern:

Russ Myers inspected the above location on March 16, 2009 in order to have the drilling pits closed and there is over 1' foot of water still standing in the pits. VAL Energy, Inc will have the pits closed at soon as they dry.

Sincerely

Brandi Wyer
Operations Manager

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MAR 18 2009
KCC WICHITA