


KANSAS
CORPORATION COMMISSION

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

November 14, 2008

KODIAK PETROLEUM INC
P O BOX 4677
ENGLEWOOD CO 80155

RE: LEASE: MCREYNOLDS 10-16
LEGAL: 990'FSL-330'FEL 10-07S-17W
COUNTY: ROOKS
API NO: 15163236570000

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 McReynolds 10-16 well.

The original 365 days for closure expired November 2, 2008. This extension will expire May 2, 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

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802

(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

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Company

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API Number

15-163-23657- -



API # 15-163-23657-00-00

Well MCREYNOLDS 10-16

City ROOKS

Dkt

Oper 9971 KODIAK PETROLEUM, INC.

A

Lgcy Oper

Work Oper

C-1 Oper

KODIAK PETROLEUM, INC.

WL Type OIL

WL Stat DR

Status Source: ACO1

Status Dt: 02/29/2008

Location 10-7S-17W NESESE, 990 FSL 330 FEL

District # 04

Dates

Intent Apprv: 10/18/2007

Compl: 02/29/2008

Permit Expire: 04/18/2008

Compl Rpt Rec: 03/24/2008

ACO-1 Spud: 11/02/2007

Plugged:

District Spud: 11/02/2007

SC Int: 40

PIT Cls EXT:

Pit Cls:

PIT Status Request Received for Extension

Dewater: HD

BBLs: 210

SGWA:

RFAC:

RFAS:

PitLiner:

Steel:

CP 1:

CP 2.3:

CP 4:

CDP 5: Y

Date CP-2/3 Recvd:

Date CP-4 Recvd:





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Kodiak Petroleum, Inc.
PO BOX 4677
ENGLEWOOD CO 80155

October 31, 2008

RECEIVED
KANSAS CORPORATION COMMISSION

NOV 07 2008

Re: Closure of Drilling Pits
MCREYNOLDS Lease Well No. 10-16
NESESE 10-7S-17W
ROOKS County, Kansas
API No. 15163236570000

CONSERVATION DIVISION
WICHITA, KS

Dear Sirs:

The above referenced well was spudded on 11/2/2007. 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 must be closed by 11/1/2008. 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 11/1/2008. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: October 20, 2008

Reason for extension: We have attempted to close the pits twice but this area has had so much rain that the pits are still somewhat wet.

Estimated period of time until pit closure: six months

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.