

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

January 6, 2009

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

RE: LEASE: KOESTER 1

LEGAL: 200'FNL-450'FEL 36-11S-15W

COUNTY: RUSSELL API NO: 15167234140000

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 Koester 1 well.

The original 365 days for closure expired April 8, 2008. This extension will expire June 24, 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.

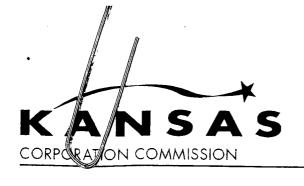
Failure to close the pit or request an additional extension prior to the expiration date may result in a fine in accordance with K.A.R. 82-3-602(a). An additional extension will only be granted for good cause and after K.C.C. field staff has made an inspection of the site. Should field staff discover 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 Tilled is / Care 12/24/08

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Amont Joseph F. Harkins, Commissioner

MEMORANDUM

To:

District 4

From: Sammy K. Flaharty

Date: December 18, 2008

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.

Murfin Drilling Co. Inc. Sutton 1-8 1620'FSL-878'FWL 08-01S-35W **Rawlins County** 15153208490000 Spud 10/8/007 pit extension expires 1/31/09

Mai Oil Operations Inc. Koester 1 200'FNL-450'FEL 36-11S-15W Russell County 15167234140000 Spud 4/8/07 pit extension expired 10/80/08

Murfin Drilling Co. Inc. Pan John Unit 1-11 880'FNL-150'FEL 11-20S-13W **Barton County** 15009249830000 Spud 9/9/06 pit extension expired 10/30/08

American Warrior Inc Selle 1-10 2600'FSL-1250'FEL 10-20S-13W Barton County 15009250210000 Spud 2/8/07 pit extension expired 12/8/08 Murfin Drilling Co Inc. Sauvage 1-14 1980'FSL-1980'FEL 14-05S-30W **Decatur County** 15039210260000 Spud 10/18/07 pit ext. exp. 1/31/03

Murfin Drilling Co. Inc. Schartz 1-18 1680'FSL-1530'FWL 18-20S-12W **Barton County** 5009249760000 Spud 8/31/06 pit ext. exp. 10/30/08

American Warrior Inc. Chisolm 1-22 170'FSL-1670'FEL 22-20S-13W **Barton County** 15009250220000 Spud 2/16/07 pit ext exp 12/18/08

American Warrior Inc. John Ray Evans 1-12 1160'FSL-1540'FEL 12-17S-11W Barton County 15009250120000 spud 1/8/07 pit ext. exp. 12/08/08

CONSERVATION DIVISION

To: Kawsos Corporation Commission Environ mental & Remediation

From: Mai Oil Operations, Inc.

Re: Pit Closere on Rosser #1 36-11-15 W Russer Co. RECEIVED

AttN: Sammy Flaharty

DEC 1 1 2008

Mai Dil operation, Inc. requests an extension of time for closing of Drilling pits on Koester#1 API # 15-167-23414-0000. Reserve pit is being drained for third time of we would request a 6 month Extension of time to close pits. Thank you for your consideration.

> Sincerely Allan Baragent Wai Ail Aperations, Inc