



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

MEMORANDUM

To: District 4  
From: Sammy K. Flaharty  
Date: December 18, 2008  
Re: Pit Extensions

Talked w/Case 12/24/08  
grant 6 mo. Eyr

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

Murfin Drilling Co Inc. ✓  
Sauvage 1-14  
1980'FSL-1980'FEL 14-05S-30W  
Decatur County  
15039210260000  
Spud 10/18/07 pit ext. exp. 1/31/09

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. ✓  
Schartz 1-18  
1680'FSL-1530'FWL 18-20S-12W  
Barton County  
15009249760000  
Spud 8/31/06 pit ext. exp. 10/30/08

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. ✓  
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. ✓  
Selle 1-10  
2600'FSL-1250'FEL 10-20S-13W  
Barton County  
15009250210000  
Spud 2/8/07 pit extension expired 12/8/08

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

12-8-08

To: Kansas Corporation Commission  
Environmental & Remediation

From: Mai Oil Operations, Inc.

Re: Pit Closure on Koester #1  
36-11-15 W Russell Co.

RECEIVED  
KANSAS CORPORATION COMMISSION

DEC 11 2008

CONSERVATION DIVISION  
WICHITA, KS

ATTN: Sammy Flaherty

Mai Oil Operations, 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 & we would request a 6 month Extension of time to close pits. Thank you for your consideration.

Sincerely

Allan Burmyt  
Mai Oil Operations, Inc.