


KANSAS
CORPORATION COMMISSION

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

August 29, 2008

ALLEN BANGERT
MAI OIL OPERATIONS INC
P O BOX 33
RUSSELL KS 67665

RE: LEASE: DUANE POPP 1
LEGAL: 2310'FNL-1010'FWL 10-16S-14W
COUNTY: BARTON
API NO: 15009250260000

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 Duane Popp 1 well.

The original 365 days for closure expired February 20, 2008. This extension will expire February 20, 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(c). 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: August 19, 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.

Mai Oil Operations Inc.
Duane Popp 1
2310" FNL-1010' FWL 10-16S-14W
Barton County
15009250260000
Apud 2/20/07 pit extension expired 6/20/08

Message

Page 1 of 1

Sammy Flaharty

From: Case Morris

Sent: Wednesday, August 20, 2008 4:39 PM

To: Sammy Flaharty

Subject: Pit Ext.

Sammy,

Go ahead and give Mai Oil a six month extension on the Duane Popp #1 (10-16-14). Thanks. Case

8-12-08

From: Mai Oil Operations, Inc.
P.O. Box 33
Russell, Ks. 67665
Lic. # 5259

To: Sammy Flaharty
Kansas Corporation Commission
Conservation Division

Re: Extension for Pit Closure at the
Duane Popp #1 API# 15-009-25026-0000
Located Sec. 10-16-14W Barton Co.

Mai Oil Operations, Inc. is requesting an extension of time for pit closure at the Duane Popp #1. Due to recent heavy rains + wet weather, we would request a six month extension to close these pits. Thank you for your consideration

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KANSAS CORPORATION COMMISSION

AUG 18 2008

CONSERVATION DIVISION
WICHITA, KS

Sincerely
Allen Baugert



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

August 4, 2008

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:

<u>API NO.</u>	<u>WELL</u>	<u>LOCATION</u>	<u>COUNTY</u>	<u>SPUDDATE</u>	<u>EXTENSION EXPIRATION</u>
15009250260000	DUANE POPP 1	10-16-14W	BARTON	2/20/2007	6/20/2008

This requested information must be submitted by **August 22, 2008**. 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,

Jonelle Rains, Supervisor
Department of Environmental Protection and Remediation

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CONSERVATION DIVISION
WICHITA, KS