

  
**KANSAS**  
CORPORATION COMMISSION

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

July 21, 2008

MOLZ OIL COMPANY  
19159 SW CLAIRMONT  
KIOWA KS 67070

RE: LEASE: MOLZ 9  
LEGAL: 3100'FNL-1190'FEL 31-34S-11W  
COUNTY: BARBER  
API NO: 15007231160000

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 Molz 9 well.

The original 365 days for closure expired May 15, 2008. This extension will expire September 30, 2008. 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 #1



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

Molz Oil Company  
19159 SW CLAIRMONT  
KIOWA KS 67070

May 28, 2008

Re: Closure of Drilling Pits  
MOLZ Lease Well No. 9  
NWNESE 31-34S-11W  
BARBER County, Kansas  
API No. 15007231160000

Dear Sirs:

The above referenced well was spudded on 5/15/2007. 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 should have been closed by 5/14/2008. 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 within 14 days of the date of this letter. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: 6-26-08

Reason for extension: Full of water

Estimated period of time until pit closure: It should dry up this summer

**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  
KANSAS CORPORATION COMMISSION

JUL 08 2008

CONSERVATION DIVISION  
WICHITA, KS



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

July 3, 2008

Molz Oil Company  
19159 SW CLAIRMONT  
KIOWA KS 67070

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), or a request for an extension 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>
15007231160000	MOLZ 9	31-34-11W	BARBER	5/15/2007

This requested information must be submitted by **July 21, 2008**. Failure to submit the requested information by this date may subject **Molz Oil Company** 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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KANSAS CORPORATION COMMISSION

JUL 08 2008

CONSERVATION DIVISION  
WICHITA, KS