



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

January 31, 2008

MAI OIL OPERATIONS INC  
4514 COLE AVE STE 740 LB 30  
DALLAS TX 75205

RE: LEASE: KAY 1  
LEGAL: 1340'FSL-1880'FEL 33-14S-14W  
COUNTY: RUSSELL  
API NO: 15167234060000

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 Kay 1 well.

The original 365 days for closure expired January 26, 2008. This extension will expire May 16, 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,

A handwritten signature in black ink that reads "Doug Louis". The signature is written in a cursive style with a large, sweeping initial "D".

Doug Louis  
Director

cc: Jonelle Rains  
District #4



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Mai Oil Operations, Inc.  
4514 COLE AVE STE 740 LB 30  
DALLAS TX 75205

January 8, 2008

Re: Closure of Drilling Pits  
KAY Lease Well No. 1  
W2SE 33-14S-14W  
RUSSELL County, Kansas  
API No. 15167234060000

Dear Sirs:

The above referenced well was spudded on 1/26/2007. 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 1/26/2008. 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 1/26/2008. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: 1-16-08

Reason for extension: Reserve pit not dry enough, Will have to dewater again + allow to dry

Estimated period of time until pit closure: 4 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.

RECEIVED  
KANSAS CORPORATION COMMISSION  
JAN 22 2008  
CONSERVATION DIVISION  
WICHITA, KS