


KANSAS
CORPORATION COMMISSION

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

April 11, 2008

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

RE: LEASE: KOESTER 1
LEGAL: 200'FNL-450'FEL 36-11S-15W
COUNTY: RUSSELL
API NO: 15167234140000

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 Koester 1 well.

The original 365 days for closure expired April 8, 2008. This extension will expire October 8, 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 #4

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API Number 15-167-23414 -



API # 15-167-23414-00-00

Well KOESTER 1

City RUSSELL

Dkt

Oper 5259 MAI OIL OPERATIONS, INC.

A

Lgcy Oper

Work Oper

C-1 Oper

MAI OIL OPERATIONS, INC.

WL Type OIL

WL Stat PR

Status Source: ACOI

Status Dt: 04/16/2007

Location 36-11S-15W NENENE, 200 FNL 450 FEL

District # 04

Dates

Intent Apprv: 02/13/2007

Compl: 04/16/2007

Permit Expire: 08/13/2007

Compl Rpt Rec: 06/04/2007

ACO-1 Spud: 04/09/2007

Plugged:

District Spud: 04/08/2007

SC Int: 480

PIT Cls EXT:

Pit Cls:

PIT Status Request Received for Extension

Dewater:

BBLS:

CP 1:

SGWA:

RFAC:

RFAS:

PitLiner:

Steel:

CP 2.3:

CP 4:

CDP 5:

Date CP-2/3 Recvd:

Date CP-4 Recvd:





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

March 31, 2008

Re: Closure of Drilling Pits
KOESTER Lease Well No. 1
NENENE 36-11S-15W
RUSSELL County, Kansas
API No. 15167234140000

Dear Sirs:

The above referenced well was spudded on 4/8/2007. 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 4/7/2008. 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 4/7/2008. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: 4-2-08

Reason for extension: Pits not Dry due to wet Winter

Estimated period of time until pit closure: 6 mo.

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

APR 11 2008

CONSERVATION DIVISION
WICHITA, KS