

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

April 17, 2009

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ALLEN BANGERT
MAI OIL OPERATIONS INC
8411 PRESTON RD STE 800
DALLAS TX 75225

RE: LEASE: POPP 2

LEGAL: 2020'FSL-1800'FEL 04-16S-14W

COUNTY: BARTON

APINO: \$5009500700000 15009 25007-00-00 45

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 Popp 2 well.

The original 365 days for closure expired December 15, 2007. This extension will expire October 9, 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



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

January 30, 2009

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: EVTENSION

API NO.	WELL.	LOCATION	COUNTY	SPUDDATE	EXPIRATION
15009250070000	POPP 2	4-16-14W	BARTON	12/15/2006	12/19/2008

This requested information must be submitted by February 20, 2009. 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.

RECEIVED KANSAS CORPORATION COMMISSION

Sincerely,

Sorrelle Rains

Jonelle Rains, Supervisor

MAR 3 0 2009

CONSERVATION DIVISION WICHITA, KS

Department of Environmental Protection and Remediation

We are contemplating a Washdown at this Location. Please give us 6mo. Extension. Thanks Allen Bangut

CONSERVATION DIVISION

Sammy Flaharty

From: Case Morris

Sent: Thursday, April 09, 2009 2:27 PM

To: Sammy Flaharty Subject: Pit Extensions

Hi Sammy,

Go ahead and give extensions on the following reserve pits. Thanks. Case

Brungardt Oil Wedel A 3 14-10-15 Osborne Co. 15141203720000

Mai Oil Operations Popp #2 1-16-14 Barton Co. 15009250070000