

Conservation Division
Finney State Office Building
130 S. Market Rm. 2078
Wichita, KS 67202-3802



CDP4D

Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Mark Sievers, Chairman
Thomas E. Wright, Commissioner
Shari Feist Albrecht, Commissioner

Sam Brownback, Governor

October 23, 2013

Val Energy, Inc.
200 W. Douglas Ste 520
Wichita, KS 67202-3005

Re: East Maddix 1-2
SW/4 Sec. 2-31S-13W
Barber County, Kansas
15-007-23737-00-00

Dear Sir or Madam:

This letter is to inform you that you have been granted a 30 day extension of time in which to close the drilling pits associated with the East Maddix 1-2 well.

The original 365 days for closure expired on 08/07/2012. This extension will expire on 11/23/2013. Conditions should have existed within this time frame to allow closure of this drill pit. **No additional extensions will be granted.**

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 prior to the expiration date shall result in a monetary penalty in accordance with K.A.R. 82-3-602(a).

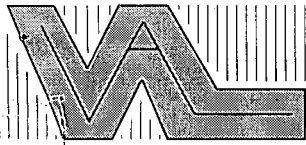
Please complete the pit closure form (CDP-4) through Kolar (Kansas On-Line Automated Reporting) at <https://kolar.kgs.ku.edu>.

If you have any questions in this regard, please do not hesitate to contact Kathy Haynes at (316) 337-6243.

Sincerely,

Ryan A. Hoffman
Director

Cc: File
District



VAL ENERGY, INC.

200 W. Douglas, Suite 520
Wichita, Kansas 67202-3005

Office: (316) 263-6688 Fax: (316) 262-2512

10/14/2013

RE: East Maddix 1-2
API# 15007237370000

Kathy,

I received your letter regarding that above referenced well. After speaking with field personnel the pit on this lease cannot be closed at this time as it is still too wet to close. We will continue to remove fluids and crowd the pits and close as soon as possible. We would like to get a 180day extension on this pit.

Thanks

Dustin Wyer
Operations
VAL Energy

RECEIVED
KANSAS CORPORATION COMMISSION

OCT 16 2013
CONSERVATION DIVISION
WICHITA, KS