

Conservation Division
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Wichita, KS 67202-3802



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Shari Feist Albrecht, Chair
Thomas E. Wright, Commissioner
Jay Scott Emler, Commissioner

Sam Brownback, Governor

April 8, 2014

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

Re: Kadau V1-13
SE/4 Sec. 13-33S-05E
Cowley County, Kansas
15-035-24493-00-00

Dear Sir or 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 Kadau V 1-13 well.

The original 365 days for closure expired on 02/14/2014. This extension will expire on 07/14/2014. 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 shall result in a monetary penalty in accordance with K.A.R. 82-3-602(a). An additional pit extension may be renewed upon request, but no pit permit extension shall be extended beyond six months after the original deadline.

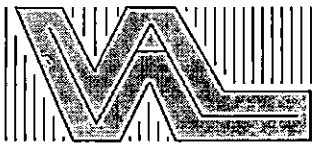
Please complete the pit closure form (CDP-4) through Kolar (Kansas On-Line Automated Reporting) at <https://kolar.kgs.ku.edu>.

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



VAL ENERGY, INC.

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

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

RE: KADAU V1-13 PIT CLOSURE
15-035-24493-00-00
COWLEY COUNTY

KCC WICHITA

APR 08 2014

RECEIVED

Kathy,

The above well has had fluid in the pit and holds the fluids with any moisture. We will be hauling fluids later this week to let the mud dry out so our dozer operator can get this pit closed as soon as possible. I have spoken with our field personnel and have stressed this is a priority to get closed, just need the weather to cooperate.

We would like to request a 6 month extension to get through the spring rainy months and into the summer months to help dry the drilling mud out.

Thanks

Dustin Wyer
Operations