

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

January 29, 2014

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

Re: Goldman Melcher 8-32
SW/4 Sec. 32-34S-11W
Barber County, Kansas
15-007-23886-00-00

Dear Sir or Madam:

This letter is to inform you that you have been granted an additional extension of time in which to close the drilling pits associated with the Goldman Melcher 8-32 well.

The original 365 days for closure expired on 05/31/2013. This extension will expire 05/01/2014. **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).

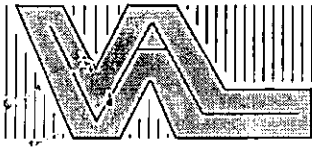
Please complete the pit closure form (CDP-4) through Kolar (Kansas On-Line Automated Reporting) at <https://kolar.kgs.ku.edu>.

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

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1/24/2014

RE API 15007238860000
Goldman Melcher 8-32
Barber County, KS

Kathy,

We would like to get an extension on this open pit as we have a rig scheduled to drill the Goldman Melcher 8-32A, an offset of this plugged hole, in late June of this year.

Thanks

Dustin Wyer
Operations

KCC WICHITA

JAN 27 2014

RECEIVED