

FINAL NOTICE OF VIOLATION

July 6, 2009

Canary Operating Corporation
7230 W 162ND ST STE A
STILWELL, KS 660859143

RE: API# 15121283230000
LEASE NAME: RAY 29-13-16-24
SEC 13 TOWNSHIP 16 RANGE 24 E

Dear Operator:

This letter shall serve as your final notice regarding your continuing violation of Kansas regulations. On 4/11/2009 9:57:50 AM, a Request for Information letter was sent to you, requesting the spud call and ACO-1 Well Completion Form for the above well. The KCC still has not received either the spud call or the ACO-1 Well Completion Form for the well. If this information is not provided to the KCC by July 20, 2009, this matter shall be submitted to our legal department, and it may result in a \$500.00 penalty per well remaining in violation.

This requested information must be submitted for processing pursuant to KCC regulations, specifically including K.A.R. 82-3-107(d) and K.A.R. 82-3-130. Please contact me with any questions.

Sincerely,

Steve Bond
Production Department Supervisor