


KANSAS
CORPORATION COMMISSION

Mark Parkinson, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

September 18, 2009

STEVE BAIZE
CHARTER ENERGY INC
P O BOX 252
GREAT BEND KS 67530

RE: LEASE: BITTER 1
LEGAL: 990'FSL-330'FEL 06-16S-13W
COUNTY: BARTON
API NO: 15009250560000

Dear Mr. Baize:

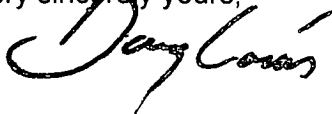
This letter is to inform you that you have been granted an extension of time in which to close the drilling pits associated with the drilling of the Bitter 1 well.

The original 365 days for closure expired June 5, 2008. This extension will expire March 10, 2010. 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

MEMORANDUM

To: District 4

From: Sammy Flaharty *SS*

Date: 8/13/2009

Re: pit extensions

The following operators have requested additional extensions of time in which to fill the pits associated with the given lease. Please inspect the lease and let me know what your recommendations are. Your time and work are appreciated.

Charter Energy Inc
Hoffman 1
2255'FSL-990'FWL 06-16S-13W
Barton County
15009250830000
Spud 8/13/07 pit extension expired 6/23/09

Charter Energy Inc
Bitter 1
990'FSL-330'FEL 06-16S-13W
Barton County
15009250560000
Spud 6/5/07 pit extension expired 8/1/09

Mai Oil Operations Inc.
Nuss 1-15
2160'FSL-2080'FEL 15-16S-14W
Barton County
15009251680000
Spud 2/27/08 pit extension expired 6/30/09

*Case called
Gene 6/10/09*

CHARTER ENERGY INC
P O BOX 252
GREAT BEND, KANSAS 67530

Date

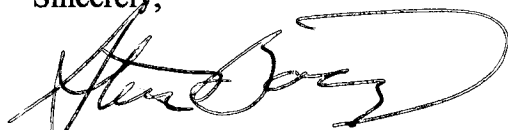
KANSAS CORPORATION COMMISSION
130 S MARKET RM 2078
FINNEY STATE OFFICE BLDG
WICHITA KS 67202-3802

RE: LEASE: Bitter
LOCATION: 6-16-13
COUNTY: Barton
API # 15009250560000

Dear Sir:

Please consider this a request for an additional extension of time in which to close the pits for the referenced well. All pits except the reserve pit have been filled. The landowner has requested that we not fill any pit unless it is absolutely dry. We are working to close these pits as quickly as possible. Please give us until October 31, 2009 to close the pits. Your consideration of this request is greatly appreciated.

Sincerely,



Steve Baize

cc: file

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AUG 13 2009
KANSAS CORPORATION COMMISSION