


KANSAS
CORPORATION COMMISSION

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

March 26, 2010

KRISTOL TAYLOR
SAMUEL GARY JR & ASSOCIATES INC
1515 WYNKOOP STE 700
DENVER CO 80202

RE: LEASE: JME-FARMS 1-23
LEGAL: 1850'FSL-330'FEL 27-16S-16W
COUNTY: RUSH
API NO: 15165218430000

Dear Ms. Taylor:

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 JME-Farms 1-23 well.

The original 365 days for closure expired November 25, 2009. This extension will expire September 26, 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 # 1

Sammy Flaharty

From: Steve Durrant
Sent: Friday, March 26, 2010 9:53 AM
To: Sammy Flaharty
Subject: RE: additional pit extensions

Rec' 6 months.

Have fun and stay healthy. Been nice working with you. I hope I am not far behind ya! Take care.

-----Original Message-----

From: Sammy Flaharty
Sent: Friday, March 26, 2010 9:48 AM
To: Steve Durrant
Subject: additional pit extensions

Hi Steve. I've got a couple of requests for additional extensions for you. Both operators claim it is the amount of rain we have received that has kept them from closing the pits. Anyway, the wells are as follows:

Samuel Gary Jr. & Associates Inc.
JME-Farms 1-23
1850'FSL-330'FEL 27-16S-16W
Rush County
15165218430000
Spud 11/25/08 pit extension expired 3/25/10

Osage Resources
Osage # 120
1815'FNL-1920'FEL 19-33S-14W
Barber County
15007232860000
Spud 5/24/08 pit extension expired 3/23/10

Let me know your thoughts on these Steve.

My last day is next Wednesday so if you don't get to these before then just go ahead and send you answer to Jonelle. Thanks Steve.
Sammy



SAMUEL GARY JR.
& ASSOCIATES, INC.
an integrated energy company

March 22, 2010

Jonelle Rains
Kansas Corporation Commission
Conservation Division
130 S. Market, Room 2078
Wichita, KS 67202-3802

RE: CDP-4 Extensions

Dear Jonelle,

This letter is in regards to reserve pit closures that are under Samuel Gary Jr. & Associates, Inc. Unfortunately snow and ice over the past few months, we have been unable to dry out and close reserve pits by their due dates. Our field workers are making every effort to close these reserve pits as soon as possible, and it does appear that they are slowly drying, but we will need more time to close these pits and file a CDP-4. Therefore, we hereby request another extension to close & file CDP-4's for the following wells:

JME-Farms #1-23

#15-165-21843-0000

If there are any questions, or if you need any additional information, please contact Tom Fertal at the telephone number shown on the letterhead.

Sincerely,

SAMUEL GARY JR. & ASSOCIATES, INC.

Kristol Taylor
Geo/Engineer Tech

RECEIVED
KANSAS CORPORATION COMMISSION
MAR 25 2010
CONSERVATION DIVISION
WICHITA, KS