



CORPORATION COMMISSION

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

March 26, 2010

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

RE: LEASE: BITTER1
LEGAL: 900'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 September 24, 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

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

Sammy Flaharty

From: Case Morris
Sent: Wednesday, March 24, 2010 1:46 PM
To: Sammy Flaharty
Subject: RE: Additional pit extension

Hi Sammy,

Go ahead and give them another six months. I don't think Charter Energy is going anywhere as long as the landowner is okay with that, and that seems to be the case. Thanks. Case.

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

From: Sammy Flaharty
Sent: Tuesday, March 23, 2010 2:11 PM
To: Case Morris
Subject: Additional pit extension

Hi Case, I've got a request for an additional pit extension from Charter Energy Inc.

The well is as follows:

Bitter 1
990'FSL-330'FEL 06-16S-13W
Barton County
15009250560000
Spud 6/5/07 pit extension expired 3/10/10

The operator states that the land owner wanted him to wait till the soy beans were harvested. Then is turned wet and has been wet since. He doubts he will be able to fill the pits before the summer.

So let me know what your determination is on this extension request. Have a good one Case. I hope it's warmer out there too. It is here and the sun is shining.
Sammy

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

Date March 19, 2010

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

RE: LEASE: Bitter #1
LOCATION: 990' FSL - 330' FEL 6 - 16 - 13
COUNTY: Barton
API #15009250560000

Dear Sir:

As you are aware, we have had quite a time finishing the backfill operations on the above Bitter #1. Last fall, the pits were very close to being ready to finish, however, the land Owner instructed me not to get in the field until the soybeans were cut. By the time this was accomplished, we were back into a wet weather cycle and were unable to complete the job. This has continued to be the case throughout the winter. Currently, they are still to wet to fill and with the wet season upon us, I doubt that we will have enough dry weather until latter this summer to safely fill the pits. With this in mind we are requesting an additional extention of time until August 31, 2010.

Thank you for your understanding of this matter.

Sincerely,



Steve Baize

cc: file

RECEIVED
MAR 23 2010
KCC WICHITA