


KANSAS
CORPORATION COMMISSION

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April 17, 2009

KRISTOL TAYLOR
SAMUEL GARY JR & ASSOCIATES INC
1560 BROADWAY STE 2100
DENVER CO 80202

RE: LEASE: THOMAS 2-30
LEGAL: 1760'FNL-1520'FWL 30-19S-10W
COUNTY: RICE
API NO: 15159225180000

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 Thomas 2-30 well.

The original 365 days for closure expired November 9, 2007. This extension will expire June 17, 2009. 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 # 2

Sammy Flaharty

From: Virgil Clothier
Sent: Tuesday, April 14, 2009 3:52 PM
To: Sammy Flaharty
Subject: RE: Pit inspections

Well Sammy, Here we go again. I got around by these today--some I couldn't drive right up to but could see from the nearest road. I couldn't see any pits around the Stumps 2-4, so I think they have been closed. The others are indeed going to need extra time--with the snow and rain over the Easter weekend. Did you go Easter egg huntin? Better of had your umbrella if you did. It's hard to know how much time now to give for extensions, I think we are probably going in to our more wet season of the year--at least that's how it seems when we get to this time of year. 60 days would be a start, some of these are from 2006, we're sure draggin it out. See ya, Watch out for those cougars. Virgil

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

From: Sammy Flaharty
Sent: Monday, April 13, 2009 3:59 PM
To: Virgil Clothier
Subject: Pit inspections

Hi Virgil! How the heck are ya? Well when you see the list of pits I've got for you you probably won't be very good. I'm sorry but they dumped them on me therefore I must dump on you. Heck of a note. Well, here goes with the list I've got for you. I hope you enjoy it.

L. B. Exportation
Janssen 1
800'FNL-1660'FWL 29-17S-10W
Ellsworth County
15053212140000
spud 1/7/08 pit extension expired 4/7/09
They would like until July 7, 2009

The rest of the wells belong to Samuel Gary Jr. & Associates Inc. and they are as follows

Thomas 2-30
1760'FNL-1520'FWL 30-19S-10W
Rice County
15159225180000
Spud 11/9/06 pit extension expired 4/6/09

Stumps 2-4
990'FSL-1350'FWL 04-18S-10W
Rice County
15159225380000
Spud 5/19/07 pit extension expired 4/6/09

Boldt 4-19
2310'FNL-825'FWL 19-18S-09W
Rice county
15159225510000
Spud 10/20/07 pit extension expired 4/6/09

Sam Gary didn't say how long of an extension they wanted so I leave that to your discretion.

I suppose the recent snows didn't help pits drying much and the rain we got. We'll never get these puppies dried and closed. I suppose it keeps us honest, Huh? Well, have a good day out there in the field Virgil and think of me stuck behind this desk. Never thought I'd see the day I became a desk jockey but that's what a college education does for one. Hmmm. Sometimes I don't think it was worth it except at least I now have health insurance. Take care Virgil and be careful out there. There's mighty big coyotes out in them thar hills.