

August 21, 2009

STEVE BODINE
DAYSTAR PETROLEUM INC
P O BOX 360
VALLEY CENTER KS 67147

RE: LEASE: STALLION A 1-17
LEGAL: 2310'FNL-185'FEL 17-31S-30W
COUNTY: MEADE
API NO: 15119212050000

Dear Mr. Bodine:

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 Stallion A 1-17 well.

The original 365 days for closure expired June 10, 2009. This extension will expire February 14, 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

MEMORANDUM

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KCC DODGE CITY

From ~~TO~~ District 1

TO ~~FROM~~: Sammy Flaharty *SH*

Date: 8/12/2009

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.

Daystar Petroleum Inc.
Stallion A 1-17
2310'FNL-185'FEL 17-31S-30W
Meade County
15119212050000
Spud 06/10/08 pit extension expires 8/31/09

*Req' 6 months. Ext.
S.D. 8-14-09*

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KCC WICHITA



Daystar Petroleum, Inc.

PO Box 360 • Valley Center, Kansas • 67147 • (316) 755-3492 • FAX (316)-755-3543

August 10, 2009

Mr. Doug Louis, Director
Kansas Corporation Commission
Oil & Gas Conservation Division
130 S. Market – Room 2078
Wichita, Kansas 67202

*RE: Request for Pit Closure Extension
Stallion A #1-17
Legal 2310' FNL – 185' FEL
Sec. 17, T31S-R30W
Meade County, Kansas
API: 15-119-21205-0000*

Dear Doug:

With reference to the Stallion A #1-17 well, the deadline of August 31, 2009 is fast approaching and our efforts to close the drilling pits continues to be work in progress. We would at this time greatly appreciate your consideration in extending the deadline.

Thank you.

Sincerely,

Steve Bodine
Production Superintendent

SB/tb