


KANSAS
CORPORATION COMMISSION

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August 7, 2009

MICHAEL PETERMANN
L B EXPLORATION
2135 2ND ROAD
HOLYROD KS 67450

RE: LEASE: JANNSEN 1
LEGAL: 800'FNL-1660'FWL 29-17S-10W
COUNTY: ELLSWORTH
API NO: 15053212140000

Dear Mr. Petermann:

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 Jannsen 1 well.

The original 365 days for closure expired January 7, 2009. This extension will expire November 30, 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: Monday, July 27, 2009 3:05 PM
To: Sammy Flaharty
Subject: RE: pit extension request

Hey Sammy, There is water in these pits. Same recommendation as the one for Foundation Energy--Need to cut some windows for air flow to help speed up drying process and knock down some of the big weeds to allow more plentiful air flow to help dry out. It's raining again up here now. Don't need any more cats, Sounds like you really don't own the cats, the cats own you. Thanks, Virgil

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

From: Sammy Flaharty
Sent: Monday, July 27, 2009 9:43 AM
To: Virgil Clothier
Subject: pit extension request

Hi Virgil. With all this rain are we ever going to get any pits closed? Well, I have another pit extension request which is as follows:

L B Exploration
Janssen 1
800'FNL-1660'FWL 29-17S-10W
Ellsworth County
15053212140000
Spud 1/7/08 pit extension expired 6/17/09

Please let me know your recommendations on this lease. It is my understanding that L. B. Exploration is subject to some legal litigation now. So please give me a detailed description of what you find out there.

Hope all is well with you. If you're in need of some barn cats let me know. I've got a load of feral cats in the garage. They had several litters. I've got some little ones I'm working with. I should be able to catch them. They'll be ready in a couple of weeks to adopt out. Lord knows all I need is one more cat!! I'm not sure how many are in the garage now. I've lost count. But the up side is I don't have any mice or rats. They even keep the mole population down. So I guess they serve some purpose. Well, take care Virgil. Thanks for your help.

Sammy, 7-30-09
Ryan said
to go ahead
w/extension
JR

LB **Exploration**

2135 2nd Road Holyrood KS 67450 785-252-8034 lbexploration@hbcomm.net

July 27, 2009

Dear Ms. Rains,

LB Exploration would appreciate an extension of time to close the drilling pits for the Janssen #1 well. The API number is 15-053-21214, the spot location is 140' South and 10' East of W/2 NE NW 29-17S-10W. We are requesting an extension to November 30, 2009 to close the pits.

Best regards,
Michael Petermann