



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

December 18, 2009

ONE SOURCE FINANCIAL SERVICES INC
5800 PADRE BLVD STE 210
P O BOX 40181
SOUTH PADRE ISLAND TX 78597

RE: LEASE: RAILE 3-29
LEGAL: 1980'FSL-660'FWL 29-04S-39W
COUNTY: CHEYENNE
API NO: 15023211810000

Dear Sir/Madam:

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 Raile 3-29 well.

The original 365 days for closure expired November 22, 2009. This extension will expire March 1, 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,

A handwritten signature in black ink that reads "Doug Louis". The signature is written in a cursive, flowing style.

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/>



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One Source Financial Services Inc.
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RECEIVED
KANSAS CORPORATION COMMISSION

DEC 07 2009

November 30, 2009

CONSERVATION DIVISION
WICHITA, KS

Re: Closure of Drilling Pits
RAILE Lease Well No. 3-29
NWSW 29-4S-39W
CHEYENNE County, Kansas
API No. 15023211810000

Dear Sirs:

The above referenced well was spudded on 11/22/2008. According to K.A.R. 82-3-602, "Drilling pits ... shall be closed within a maximum of 365 calendar days after the spud date of a well". The subject drilling pits should have been closed by 11/22/2009. A Closure of Surface Pit, form CDP-4 (April 2004), should be filed within 30 days after the drilling pits are closed. **Conservation division forms are available through our office and on the KCC web site: <http://kcc.ks.gov/conservation/forms/>**

Should an extension be warranted, it must be received within 14 days of the date of this letter. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: 11/15/09 & 12/1/09

Reason for extension: Pits have not evaporated fully with all the moisture in the region this year.

Estimated period of time until pit closure: 90 days

Failure to timely close the pit, file a request for an extension or file the closure form within the allotted time periods may result in assessment of an administrative penalty.

Your cooperation in this process is appreciated. If you have any questions or concerns, please call **Sammy Flaharty** at (316) 337-6227.