

February 15, 2010

MICHAEL PETERMAN
L B EXPLORATION
2135 2ND RD
HOLYROOD KS 67450

RE: LEASE: PETERMAN 1
LEGAL: 1060'FSL-1910'FEL 07-17S-10W
COUNTY: ELLSWORTH
API NO: 15053211960000

Dear Mr. Peterman:

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 Peterman 1 well.

The original 365 days for closure expired December 13, 2007. This extension will expire March 30, 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 #2

Sammy Flaharty

From: Jonelle Rains
Sent: Wednesday, February 10, 2010 6:11 PM
To: Sammy Flaharty
Subject: FW: Pit Extensions

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

From: Jeff Klock
Sent: Wednesday, February 10, 2010 2:42 PM
To: Jonelle Rains
Subject: Pit Extensions

Jonelle,

As much as I hate to do this, let's grant those pit extensions to Michael Petermann for those exact dates he wanted in his letters requesting the pit extensions. Virgil says Ellsworth County did not get the snow that we got and he should be able to continue crowding those pits until closed. I am going to put those dates on our e-schedule so both Virgil and I will know when each pit closure comes due, and I will immediately send penalty request to legal on any he doesn't get closed.

Thanks
Jeff

Petermann 7-1, Exp 3-31-2010
Kootz 18-1, Exp 3-30-2010
Janssen 1, Exp 5-30-2010

LB **Exploration**

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

January 28, 2010

Re: Petermann 7-1 drilling pits
W/2 SE/4 7-17-10W
Ellsworth County
API 15053211960000

Dear Ms. Rains,

LB Exploration is requesting an extension to close the drilling pits associated with this well as they are in a location that is too wet to access at this time. In the fall of 2009 we were able to make some progress in starting to close the pits and were waiting for them to dry further before finishing. We would appreciate an extension until March 31, 2010 to close these pits. The last pit extension that was granted stated that it would be the last extension issued for these pits. As I have stated before, these pits are on land my family owns and that I farm. No one would like to get these closed more than I would but their location and the weather has made it difficult to get them dried out.

Best regards,
Michael Petermann

Sammy Flaharty

From: Sammy Flaharty
Sent: Thursday, January 28, 2010 11:15 AM
To: Virgil Clothier
Subject: Pit extensions

Well Virgil, how the heck are you? Is it cold enough out there for you? I suppose you ordered this snow that's headed our way. I guess it will make us appreciate Spring all the more when it arrives.

Well, I got letters from our old buddy L.B. Exploration, #33186, requesting additional extensions for three wells. The wells are as follows:

Peterman 1
SE/4 07-17S-10W 1060'FSL-1910'FEL
Ellsworth County
15053211960000

Spud 12/13/06 pit extension expired 1/26/10

This is the well you said no more extensions on. He says his family owns the land and he wants the pit closed as much as we do but it is just too wet. He says he is the one who farms the land. He also acknowledged the fact that he was told no more extensions on this one. So that's the scoop on this one.

Janssen 1
NW 29-17S-10W 800'FNL-1660'FWL
Ellsworth County
15053212140000

Spud 1/7/08 pit extension expired 11/30/09

He states the weather has made it difficult to close them. They are too wet.

Kootz 1
NE 18-17S-10W 1480'FNL-990'FEL
Ellsworth County
15053212240000

Spud 7/21/08 pit extension expired 11/30/09

Again he states the conditions are too wet to close.

So Virg, if you will let me know what to send them. I have also consulted with legal but have yet to hear back from them. So let me know your take on this and I'll write the letters. Keep warm out there. That wind is brutal. Thanks for your help. Later. Sammy

1/28/2010

Sammy Flaharty

From: Sammy Flaharty
Sent: Thursday, January 28, 2010 11:01 AM
To: Ryan A. Hoffman
Subject: L. B. Exploration

Ryan, I have received requests for 3 extensions of time to close drill pits from L. B. Exploration, #33186. The pits are as follows:

Peterman 1
SE/4 07-17S-10W
Ellsworth County
15053211960000

Janssen 1
NW 29-17S-10W
Ellsworth County
15053212140000

Kootz 1
NE 18-17S-10W
Ellsworth County
15053212240000

They state conditions are too wet to finish closing the pits. I wanted to make sure they were in good standing with Legal before I issued pit extensions. I still have to hear back from district office. I'm checking in with them too. Let me know, if district okays these extensions, will you? Thanks Ryan. Enjoy the coming snow. The cold is obviously already here. Have a good one.
Sammy