

February 5, 2010

CAROL LARSON LARSON ENGINEERING INC 562 W STATE RD 4 OLMITZ KS 67564-8561

RE: LEASE: NEELEY 1-8

LEGAL: 747'FSL-1099'FEL 08-19S-30W

COUNTY: LANE

API NO: 15101221490000

Dear Ms. Larson:

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 Neeley 1-8 well.

The original 365 days for closure expired January 12, 2010. This extension will expire July 12, 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

## LARSON ENGINEERING, INC.

EXPLORATION AND PRODUCTION 562 WEST STATE ROAD 4 OLMITZ, KS 67564-8561

> (620) 653-7368 (620) 653-7635 FAX

January 26, 2010

Kansas Corporation Commission Oil & Gas Conservation Division 130 South Market, Room 2078 Wichita, KS 67202

Re:

Neeley 1-8

API #15-101-22149-00-00

Pit Closure

Ladies and Gentlemen,

We respectfully request a 6-month extension from the January 12<sup>th</sup> pit closure due date. The fresh water pit and the working pits are closed. However, the reserve pit isn't dry enough to close.

Sincerely,

Larson Engineering, Inc.

Carol Larson

Secretary/Treasurer

RECEIVED

JAN 28 2010

KCC WICHITA