


KANSAS
CORPORATION COMMISSION

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

December 11, 2009

PHILLIPS OIL PROPERTIES INC
1822 S MEAD
WICHITA KS 67211

RE: LEASE: MILLER 3
LEGAL: 1315'FSL-1610'FWL 23-33S-05E
COUNTY: COWLEY
API NO: 15035205300001

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 Miller 3 well.

The original 365 days for closure expired November 7, 2009. This extension will expire May 7, 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

REC'D DEC 1 2009



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

Phillips Oil Properties Inc.
1822 S MEAD
WICHITA KS 67211

November 30, 2009

Re: Closure of Drilling Pits
MILLER Lease Well No. 3
SWNESW 23-33S-5E
COWLEY County, Kansas
API No. 15035205300001

Dear Sirs:

The above referenced well was spudded on 11/7/2008. 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 11/7/2009. 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: 11-1-09

Reason for extension: REWORKING OTHER WELLS IN AREA
MAY GO BACK INTO THIS ONE

Estimated period of time until pit closure: 6 MONTHS

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.

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FILTER SELECTION Search Title / Letters Sec Twpn Rgn

Company API Number 15-035-20530

API # 15-035-20530-00-01 Well MILLER 3 City COWLEY Dkt

Oper 4699 PHILLIPS OIL PROPERTIES INC. A Legy Oper

Work Oper C-1 Oper PHILLIPS OIL PROPERTIES INC.

WL Type OIL WL Stat IN Status Source ACO1 Status Dt 12/19/2008

Location 23-33S-5E SWNESW, 1335 FSL 1610 FWL District # 02

Dates

Intent Apprv: 11/06/2008	Compl: 12/19/2008	TA Status: TA	CP-111
Permit Expire: 11/06/2009	Compl Rpt Rec: 03/16/2009	Approved TA	
ACO-1 Spud: 11/07/2008	Plugged:	Status Eff: 03/20/2009	
District Spud: 11/07/2008		TA Exp Dt: 03/20/2010	
		Shut-In Dt: 12/19/2008	

Drilling

SC Int: 200 Spud Lbr: CP 1:

PIT Cls EXT: RFAC CP 2.3: Date CP-2.3 Rec'd:

Pit Cls: RFAS CP 4: Date CP-4 Rec'd:

PIT Status: Request Received for Exten. PitLiner CDP 5:

Dewater: BBLs: Steel