



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

October 30, 2009

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

RE: LEASE: PETERMANN 7
LEGAL: 1060'FSL-1910'FEL 07-17S-10W
COUNTY: ELLSWORTH
API NO: 15053211960000

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 Petermann 7 well. **This extension will be the last extension issued for these pits.**

The original 365 days for closure expired December 13, 2007. This extension will expire January 26, 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: Virgil Clothier
Sent: Monday, October 26, 2009 4:14 PM
To: Sammy Flaharty
Subject: RE: Pit extension

I imagine 90 days would get it, depending on the weather outlook. Are you getting into predicting weather now? If Legal says this is last extension, maybe you'd ought to get their weather prediction too. It's hard to know. Virgil

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

From: Sammy Flaharty
Sent: Monday, October 26, 2009 3:32 PM
To: Virgil Clothier
Subject: RE: Pit extension

Virgil, I forgot to ask you, how long of an extension should we give them? You know better than I do what to give them. Let me know. Take care.
Sammy

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

From: Virgil Clothier
Sent: Monday, October 26, 2009 3:21 PM
To: Sammy Flaharty
Subject: RE: Pit extension

Sammy, I was up there in that vicinity last friday, and they will need an extension. Suppose you had heard about the mountain lion sighted up around Wakeeney last week. There's more of them around. See ya, Virgil

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

From: Sammy Flaharty
Sent: Monday, October 26, 2009 2:12 PM
To: Virgil Clothier
Subject: Pit extension

Hi Virgil, I heard from legal on the Petermann 7 owned by LB Exploration.

They said if you want to grant them another extension that is okay but I'm supposed to put in the letter that it will be the last extension they get. So let me know what you think on this.

Sammy

Sammy Flaharty

From: Sammy Flaharty
Sent: Thursday, October 22, 2009 4:16 PM
To: Virgil Clothier
Subject: pit extension

Hi Virgil! Hope all is well out there. It sure has been wet. Well, I got another letter from L B Exploration wanting an additional extension. I'm also running this by the legal staff as I'm writing this. Right now Ryan is not in favor of granting an extension. I did tell him that if this is in crop land it's going to be difficult to close as if it is closed too soon it creates a bog for the farmer every time it rains and he gets his equipment stuck.

Anyway, LB states that the location is too wet to gain access and close at this time. It states that earlier in the Fall they did make some progress in starting to close the pits. They have been waiting for them to dry but have had more rain. Anyway, let me know your take on this situation and I'll let you know what Ryan tells me. He's going to talk to John.

The well in question is:

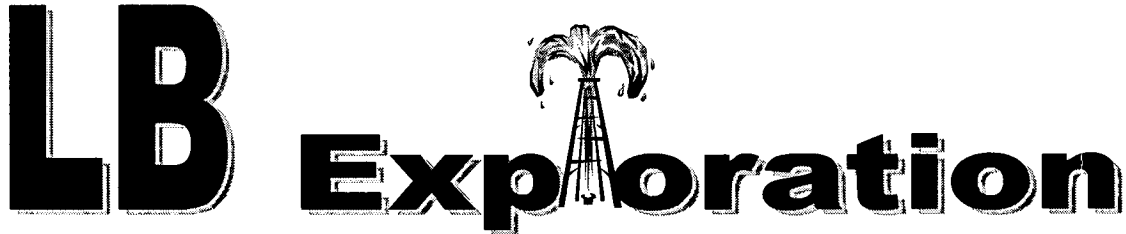
Petermann 7
1060'FSL-1910'FEL 07-17S-10W
Ellsworth County
15053211960000
Spud 12/13/06 pit extension expired 8/31/09

So let me hear your input on this situation. I'll let you know Ryan's when he gives it to me. have a good one and I hope you haven't sprouted feathers and that your feet aren't becoming webbed. Take care.

Sammy

Sent Virgil email about what legal said 10/26/09

10/22/2009



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

October 22, 2009

Jonelle Rains
Kansas Corporation Commission
130 S Market Room 2078
Wichita KS 67202-3802

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. Earlier this fall 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 December 31, 2009 to close these pits.

Best regards,

Michael Petermann, President