


KANSAS
CORPORATION COMMISSION

Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

November 14, 2008

DAVID PALM
PALM OIL & GAS COMPANY
P O BOX 4808
SEDONA AZ 86340-4008

RE: LEASE: COTTLE 1-4
LEGAL: 4120'FSL-1500'FEL 04-35S-01W
COUNTY: SUMNER
API NO: 1519225080000

Dear Mr. Palm:

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 Cottle 1-4 well.

The original 365 days for closure expired May 21, 2008. This extension will expire December 30, 2008. 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

MEMORANDUM

RECEIVED
KCC DISTRICT #2
OCT 21 2008
WICHITA, KS

To: District 2

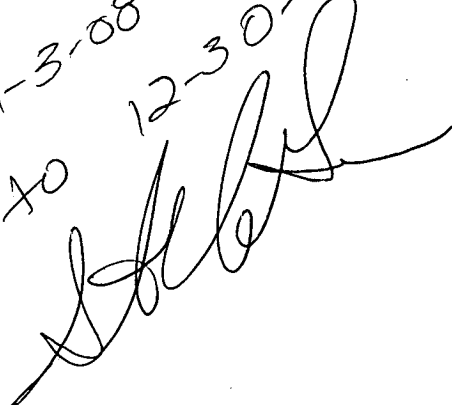
From: Sammy K. Flaharty 

Date: October 20, 2008

Re: Pit Extensions

The following operators have requested additional extensions of time in which to fill the pits associated with the given lease. Please inspect the lease and let me know what your recommendations are. Your time and work are appreciated.

Palm Oil & Gas Company
Cottle 1-4
4120'FSL-1500'FEL 04-35S-01W
Sumner county
15191225080000
Spud 5/21/07 pit extension expired 8/31/08

Ext. 11-3-08
to 12-30-08


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KANSAS CORPORATION COMMISSION

NOV 05 2008

CONSERVATION DIVISION
WICHITA, KS

Palm Oil & Gas Company

Palm Oil & Gas Company
P. O. Box 4808
Sedona, AZ
86340-4808

Phone: 928-204-5650
FAX: 928-204-5990
email: davidpalm@commspeed.net

Memorandum

To: Jonelle Rains
From: David Palm
cc:
Date: Monday, October 13, 2008
Subject: Cottle 1-4 Reserve Pit
API NO. 15191225080000

We have done quite a bit of work on filling the reserve pit, but one area still needs to get dryer before we finish.

I am requesting an extension of the current 8/31/2008 extension expiration until 12/31/2008.

Thanks for considering the above request.

David Palm

*10-3-08
Extension until 12-31-08
[Signature]*

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CONSERVATION DIVISION
WICHITA, KS

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OCT 17 2008

CONSERVATION DIVISION
WICHITA, KS

FILTER SELECTIO

Search T-Is / Letters

Sec Twpn Rngn

Company API Number

API # Well City Dkt

Oper Lgcy Oper

Work Oper C-1 Oper

WL Type WL Stat Status Source: Status Dt:

Location District #

Dates

Intent Apprv:	<input type="text" value="05/04/2007"/>	Compl:	<input type="text" value="05/29/2007"/>
Permit Expire:	<input type="text" value="11/04/2007"/>	Compl Rpt Rec:	<input type="text" value="06/20/2007"/>
ACO-1 Spud:	<input type="text" value="05/21/2007"/>	Plugged:	<input type="text" value="05/29/2007"/>
District Spud:	<input type="text" value="05/21/2007"/>		

SC Int:	<input type="text" value="250"/>	SGWA:	<input type="text"/>	CP 1:	<input type="text"/>
PIT Cls EXT:	<input type="text" value="08/31/2008"/>	RFAC:	<input type="text"/>	CP 2.3:	<input checked="" type="checkbox"/> Date CP-2/3 Recvd: <input type="text" value="05/23/2007"/>
Pit Cls:	<input type="text"/>	RFAS:	<input type="text"/>	CP 4:	<input checked="" type="checkbox"/> Date CP-4 Recvd: <input type="text" value="06/01/2007"/>
PIT Status:	<input type="text" value="Request Received for Extension"/>	PitLiner:	<input type="text"/>	CDP 5:	<input type="text"/>
Dewater:	<input type="text"/>	Steel:	<input type="text"/>		
BBLS:	<input type="text"/>				