



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

November 21, 2008

IVAN LEROY HOLT II
RUSSELL OIL INCORPORATED
P O BOX 1469
PLAINFIELD IL 60544

RE: LEASE: PAHLS 1-11
LEGAL: 740'FNL-1310'FEL 11-10S-12W
COUNTY: OSBORNE
API NO: 15141203740000

Dear Mr. Holt:

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 Pahls 1-11 well.

The original 365 days for closure expired July 3, 2008. This extension will expire May 4, 2009. 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 # 4

Sammy Flaharty

From: Case Morris
Sent: Monday, November 17, 2008 10:16 AM
To: Sammy Flaharty
Subject: Pit Extensions

Hi Sammy,

Go ahead and give extensions on these wells:

Charter Energy
Bitter #1 15009250560000

Russell Oil
Pahls 1-11 15141203740000

✓ Baird Oil Co.
LaBarge 1-20 15163235980000

✗ John O. Farmer
Larosh #1 15167234490000

✗ Maupin #1 15167234520000

✓ Thompson #1 15167234500000

Thanks. Case

P.O. Box 1469
Plainfield, IL 60544



815/609-7000
Fax: 815/609-7002

November 4, 2008

Kansas Corporation Commission
Attn: Jonelle Rains
130 S. Market, Room 2078
Wichita, KS 67202-3802

RE: Pahls #1-11 Pit Closure
API #15-141-20374-0000
Notice of Violation 82-3-602

RECEIVED
KANSAS CORPORATION COMMISSION
NOV 06 2008
CONSERVATION DIVISION
WICHITA, KS

Dear Ms. Rains:

I received the above referenced notice and the pit referred to has been closed as much as is possible. We have crowded the pit to a point of near closure but the wet year has made the remaining very small portion of the reserve pit unsuitable for closure at this point. All working pits have long been closed.

The dirt contractor who has been squeezing the pits has been in contact with the landowner and the landowner is aware of the small remaining portion of pit open due to the wet and muddy conditions.

Your office had granted our initial request for an extension which recently expired on 9/13/2008. We are requesting a further extension in hope the winter months will allow this remaining section of pit to dry. It is premature to close this last small section. Since this is a cultivated field a premature closure could create a long term problem in future farming operations for the landowner.

We have diligently continued to periodically close, as possible, those areas dry enough to close. It is not our intention to avoid our responsibility to the landowner to close the pits, but we also have a responsibility to close them in a proper manner which will be to the satisfaction of the landowner in the long term and not hinder their farming operations.

Thank you for your consideration of our request for a further 6 month extension. If you have additional questions please feel free to contact me at your convenience.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ivan LeRoy Holt II", written over a horizontal line.

Ivan LeRoy Holt II
President