KANSAS
CORPORATION COMMISSION

January 30, 2009

JOHN L SCHMEIDLER
2169 LOCUST GROVE ROAD
HAYS KS 67601

RE: LEASE: JAMES STAAB 6
LEGAL: 1740'FSL-890'FWL 32-12S-17W
COUNTY: ELLIS
API NO: 15051256850000

Dear Mr. Schmeidler:

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 James Staab 6 well.

The original 365 days for closure expired November 28, 2008. This extension will expire April 20, 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

JOHN L. SCHMEIDLER
2169 Locust Grove Road
Hays, Kansas 67601
(785) 259-4314

January 20, 2009

Re: Pyle, Tom
Closure of Drilling Pits
James Staab #6
32-12S-17W
Ellis County, Kansas
API No. 15051256850000

Dear Ms. Flaharty:

In regard to closing the pits on the above cited well, I must apologize for the tardiness of this request for an extension to close pits. I am requesting additional time to properly and economically close the drilling pits. This well is situated on some bottom ground that has a small creek running through the location area. The creek is indicative of the ground water table, and consequently the pits have remained full since the well was drilled. During the summer we back filled all of the pits except the reserve pit which still has standing water in it. We have bulldozed numerous holes in the wall of the reserve pit in an attempt to get the pit to dry out which it hasn't done. Attempts to pump out the water have also been unsuccessful as the pits are continuously being fed from ground water.

I have been inspecting the pits on a weekly basis and will have the pits closed as quickly as possible.

Sincerely,

John L. Schmeidler

John L. Schmeidler