



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

October 24, 2008

KARLA EILERT
PALOMINO PETROLEUM INC
4924 SE 84TH ST
NEWTON KS 67114-8827

RE: LEASE: WHITMAN 3
LEGAL: 1390'FSL-2280'FEL 12-20S-22W
COUNTY: NESS
API NO: 15135246050000

Dear Ms. Eilert:

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 Whitman 3 well.

The original 365 days for closure expired June 6, 2008. This extension will expire April 16, 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 # 1



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

MEMORANDUM

to you **To:** District 1

From: Sammy K. Flaharty *SKF*

Date: October 15, 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.

Palomino Petroleum Inc.
Whitman 3
3190'FSL-280'FEL 12-20S-22W
Ness County
15135246050000
Spud 6/6/07 pit extension expired August 31, 2008

*6 months
10-16-08*

S. Danes

RECEIVED
KANSAS CORPORATION COMMISSION

OCT 20 2008

CONSERVATION DIVISION
WICHITA, KS



PALOMINO PETROLEUM, INC.

4924 SE 84th St. • Newton, Kansas 67114-8827
(316) 799-1000 • FAX (316) 799-2728

October 13, 2008

Jonelle Rains
Kansas Corporation Commission
Conservation Division
130 S. Market Room 2078
Wichita, Kansas 67202

Re: Wittman #3 – API No. 15135246050000

Dear Ms. Rains:

Per our conversation of this morning, we are writing this letter to request an extension of 180 days be given for the pit closure on the Wittman #3 located in W/2 W/2 SE/4 Sec. 12-20S-22W in Ness County. The reason for this extension is due to the fact that the pit is located in a draw area and the continued rains have kept the area from drying out. We will be hauling the water out as soon as possible but will need the extended time in order to complete the pit closure process.

We appreciate your assistance in this matter.

Sincerely,

PALOMINO PETROLEUM, INC.

Karla Eilert

Karla Eilert
Secretary

RECEIVED
KANSAS CORPORATION COMMISSION

OCT 14 2008

CONSERVATION DIVISION
WICHITA KS