



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

October 24, 2008

GARY L BRUNGARDT
BRUNGARDT OIL & LEASING INC
529 E 14TH
P O BOX 871
RUSSELL KS 67665

RE: LEASE: APPLGATE POOL 1
LEGAL: 150'FNL-1650'FWL 34-09S-12W
COUNTY: OSBORNE
API NO: 15141203770000

Dear Mr Brungardt:

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 Applegate Pool 1 well.

The original 365 days for closure expires October 26, 2008. This extension will expire January 31, 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



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

Brungardt Oil and Leasing Inc.
529 E 14TH
PO BOX 871
RUSSELL KS 67665

October 7, 2008

Re: Closure of Drilling Pits
APPLEGATE POOL Lease Well No. 1
NWNENW 34-9S-12W
OSBORNE County, Kansas
API No. 15141203770000

RECEIVED
KANSAS CORPORATION COMMISSION

OCT 09 2008

CONSERVATION DIVISION
WICHITA, KS

Dear Sirs:

The above referenced well was spudded on 10/26/2007. According to K.A.R. 82-3-602, "Drilling pits ... shall be closed within a maximum of 365 calendar days after the spud date of a well". The subject drilling pits must be closed by 10/25/2008. A Closure of Surface Pit, form CDP-4 (April 2004), should be filed within 30 days after the drilling pits are closed. **Conservation division forms are available through our office and on the KCC web site: <http://kcc.ks.gov/conservation/forms/>**

Should an extension be warranted, it must be received by 10/25/2008. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: 9/1/08

Reason for extension: Excessive Rain Fall has not allowed us to backfill pits.

Estimated period of time until pit closure: 1/31/09

Failure to timely close the pit, file a request for an extension or file the closure form within the allotted time periods may result in assessment of an administrative penalty.

Your cooperation in this process is appreciated. If you have any questions or concerns, please call **Sammy Flaharty** at (316) 337-6227.

Thank You
[Signature]