



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

June 13, 2008

TIM CARROLL
CARROLL ENERGY LLC
200 ARCO PLACE STE 230
INDEPENDENCE KS 67301

RE: LEASE: MALONE 7-C1
LEGAL: 360'FNL-1650'FEL 07-32S-10E
COUNTY: CHAUTAUQUA
API NO: 15019267890000

Dear Mr. Carroll:

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 Malone 7-C1 well.

The original 365 days for closure expired March 23, 2008. This extension will expire August 31, 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(c). 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,

A handwritten signature in black ink that reads "Doug Louis". The signature is written in a cursive style with a large initial "D".

Doug Louis
Director

cc: Jonelle Rains
District # 3



Carroll Energy, LLC



200 Arco Place, Suite 230 - Box 149 Independence, KS. 67301
Phone: (620) 332-1600 Fax: (620) 332-1601

Jonelle Rains, Supervisor
Conservation Division
130 S. Market, Room 2078
Wichita, KS 67202-3802


Lease: MALONE
Well: 7-C1
API: 15-019-26789

Jonelle,

We are having a hard time getting to the above referenced drilling pit. We have been able to fence the pit in but weather has made it hard to get to and fill in properly. We would like an extension on the time needed to fill in the pit so that we can hopefully get a dry spell long enough to access and fill in the pit without tearing up the owner's land.

Please feel free to contact me with any questions or comments you may have.

Sincerely,


Tim Carroll
Vice Operating Manager
Carroll Energy, LLC

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JUN 04 2008

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WICHITA KS