

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

August 22, 2008

JOHN LACHENMAYR LACHENMAYR OIL CO P O BOX 526 NEWTON KS 67114-0526

RE: LEASE: REED 10

LEGAL: 330'FSL-2640'FEL 01-26S-01W

COUNTY: SEDGWICK API NO: 15173209880000

Dear Mr. Lachenmayr:

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 Reed 10 well.

The original 365 days for closure expired December 26, 2007. This extension will expire February 18, 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(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,

DougeLouis Director

cc: Jonelle Rains District # 2



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

MEMORANDUM

To: District 2

From: Sammy K. Flaharty

Date: August 8, 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.

Lachenmayr Oil Co.
Reed 10
330'FSL-2640'FEL 1-26S-01W
Sedgwick County
15173209880000
Spud 12/26/06 pit extension expired 6/26/08

18 Called 8/18/08

LACHENMAYR OIL CO.

P. O. BOX 526, NEWTON, KS 67114-0526 (316)282-0400 FAX (316)282-0400

August 6, 2008

Sammy Flaherty Kansas Corporation Commission 130 South Market, Room 2078 Wichita, Ks 67202-3802

Re: Lease: Reed 10

Legal: 1-26-1W County: Sedgwick

API No: 15173209880000

Dear Sammy,

At the time that I requested a six month extension for closing this pit I did not foresee the never ending rain that we were about to receive. On August 6, 2008, I had hoped to close the pit; unfortunately the drilling mud had not dried up under the surface. We stirred up the mud to expose it to the air and heat. We have cut channels in the dyke to aid in the drying process. We have been removing rain water from the pit in hopes of getting this pit closed in a timely fashion. We will also be knocking down the weeds on the dyke in hope of getting more wind to speed up the drying time.

I'm requesting another extension to get this pit closed.

John Lachenmayr

hank you,

RECEIVED KANSAS CORPORATION COMMISSION

AUG 0 7 2008

CONSERVATION DIVISION WICHITA, KS