

  
**KANSAS**  
CORPORATION COMMISSION

Mark Parkinson, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner

July 24, 2009

KRISTOL TAYLOR  
SAMUEL GARY JR & ASSOCIATES INC  
1515 WYNKOOP STE 700  
DENVER CO 80202

RE: LEASE: STEINER 1-35  
LEGAL: 2310'FSL-1200'FEL 35-17S-12W  
COUNTY: BARTON  
API NO: 15009252280000

Dear Ms. Taylor:

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 Steiner 1-35 well.

The original 365 days for closure expired July 11, 2009. This extension will expire October 15, 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



Mark Parkinson, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner

Samuel Gary Jr. & Associates, Inc.  
1515 WYNKOOP, STE 700  
DENVER CO 80202

June 26, 2009

Re: Closure of Drilling Pits  
STEINER Lease Well No. 1-35  
NWNES 35-17S-12W  
BARTON County, Kansas  
API No. 15009252280000

KANSAS CORPORATION COMMISSION

JUL 15 2009  
RECEIVED

Dear Sirs:

The above referenced well was spudded on 7/11/2008. 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 7/11/2009. 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 7/11/2009. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: 7/11/09

Reason for extension: too wet to close pit.

Estimated period of time until pit closure: ASAP, pulling water to help dry out pit.

**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.

Kristol  
Taylor  
7-10-09