


KANSAS
CORPORATION COMMISSION

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

June 27, 2008

HERMAN L LOEB
P O BOX 524
LAWRENCEVILLE IL 62439

RE: LEASE: SCHMIDT AC 3
LEGAL: 330'FSL-1510'FEL 33-12S-17W
COUNTY: ELLIS
API NO: 15051256430000

Dear Mr. Loeb:

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 Schmidt AC 3 well.

The original 365 days for closure expired April 20, 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,


Doug Louis
Director

cc: Jonelle Rains
District #4

HERMAN L. LOEB

OFFICE TELEPHONE:
(618) 943-2227

OPERATOR, PRODUCER, AND
INVESTMENTS

FAX:
(618) 943-2227

P.O. Box 524
LAWRENCEVILLE, ILLINOIS 62439

June 18, 2008

Jonelle Rains
Kansas Corporation Commission
Finney State Office Building
130 S Market Room 2078
Wichita KS 67202-3802

RE: NOTICE OF VIOLATION – 82-3-602
SCHMIDT AC 3, API NO. 15051256430000
ELLIS COUNTY, KANSAS

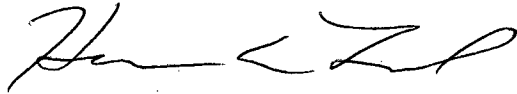
Dear Ms. Rains:

I am in receipt of your request for a closure of surface pit, form CAP-4, for the Schmidt AC 3 well.

The pit is almost dry but still has a little water in it which will necessitate some additional time before I can close the pit completely.

Please allow an additional sixty days in order to close this pit.

Very truly yours,



Herman L. Loeb

HLL/nh

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 20 2008

CONSERVATION DIVISION
WICHITA KS