



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

July 21, 2008

MELISSA WINDHOLZ
BLACK DIAMOND OIL INC
P O BOX 641
HAYS KS 67601

RE: LEASE: FUSILLO 1
LEGAL: 1025'FNL-1715'FEL 18-07S-21W
COUNTY: GRAHAM
API NO: 15065232920000

Dear Ms. Windholz:

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 Fusillo 1 well.

The original 365 days for closure expired May 22, 2008. This extension will expire September 30, 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



BLACK DIAMOND OIL, INC

PO Box 641
Hays, KS 67601
(785) 625-5891

July 9, 2008

Kansas Corporation Commission
Conservation Division
130 S. Market, Room 2078
Wichita, KS 67202-3802
ATTN: Jonelle Rains

Dear Ms. Rains:

This letter is in response to the pit closure due on the Fusillo #1 API number 15065232920000. We are requesting an extension on this closure due to the wet weather and there is still fresh water in the pit.

Please contact us with the length of the extension. If there are any questions, please call our office.

Sincerely,

Melissa Windholz
Black Diamond Oil, Inc.

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KANSAS CORPORATION COMMISSION
JUL 11 2008
CONSERVATION DIVISION
WICHITA, KS