



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

July 21, 2008

TIM CARROLL
CARROLL ENERGY LLC
200 ARCO PLACE STE 230
BOX 149
INDEPENDENCE KS 67301

RE: LEASE: DAY-519 12-D3
LEGAL: 1650'FSL-990'FEL 12-25S-20E
COUNTY: ALLEN
API NO: 15001296170000

Dear Sir/Madam:

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 Day-519 12-D3 well.

The original 365 days for closure expired July 19, 2008. This extension will expire October 19, 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 # 3



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

July 21, 2008

TIM CARROLL
CARROLL ENERGY LLC
200 ARCO PLACE STE 230
BOX 149
INDEPENDENCE KS 67301

RE: LEASE: DAY-519 12-D3
LEGAL: 1650'FSL-990'FEL 12-25S-20E
COUNTY: ALLEN
API NO: 15001296170000

Dear Sir/Madam:

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 Day-519 12-D3 well.

The original 365 days for closure expired July 19, 2008. This extension will expire October 19, 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 # 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: DAY-519
Well: 12-D3
API: 15-001-29617

Jonelle,

We are having a hard time getting to the above referenced drilling pit. We are in a legal disagreement with the prior operator of the lease. They sent us a letter stating that we have no right to be on the lease. We would like an extension on the time needed to fill in the pit. Hopefully this legal matter will be resolved soon so that we can access the lease without the prior operator claiming that we are trespassing.

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

Sincerely,

Tim Carroll
Vice Operating Manager
Carroll Energy, LLC

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 04 2008

CONSERVATION DIVISION
WICHITA, KS