



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

February 4, 2008

EMILY HUNDLEY-GOFF  
CHOLLA PRODUCTINO LLC  
7851 SOUTH ELATI ST STE 201  
LITTLETON CO 80120

RE: LEASE: EUHUS TRUST 1-28  
LEGAL: 1800'FSL-330'FEL 28-02S-30W  
COUNTY: DECATUR  
API NO: 15039209910000

Dear Ms. Hundley-Goff:

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 Euhus Trust 1-28 well.

The original 365 days for closure expired November 7, 2007. This extension will expire April 24, 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

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802  
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

MEMORANDUM

To: District 4

From: Sammy K. Flaharty *SKF*

Date: 1/23/2008

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.

Mai Operations

Lamatsch Besthorn Unit 1

330'FSL-2370'FEL 15-16S-11W

Barton County

15009249680000

spud 8/5/06 pit extension expired 11/5/07

The next two wells belong to Cholla Production LLC

Euhus Trust 1-28

1800'FSL-330'FEL 28-02S-30W

Decatur County

15039209910000

spud 11/7/06 pit extension expired 12/15/07

Marvin May 1-23

2000'FSL-1000'FEL 23-02S-30W

Decatur County

15039209900000 spud 11/17/06 pit extension expired 12/17/07

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JAN 28 2008

CONSERVATION DIVISION  
WICHITA, KS

*OK 1-24-08  
wet + cold.*

*OK 1-24-08  
Has been wet + cold for  
several months.*

*OK. Ditto Decatur Co.*

*HD Jones  
1-24-08*

# C h o l l a P r o d u c t i o n , L L C

7851 South Elati Street

Suite 201

Littleton, CO 80120

Ph: (303) 623-4565

Fax: (303) 623-5062

January 16, 2008

Kansas Corporation Commission  
Conservation Division  
Attn: Sammy Flaherty  
130 South Market, Room 2078  
Wichita, KS 67202-3802

Re: Extension for pit closure  
( Euhus Trust 1-28 (28-2S-30W, API 15039209910000, Decatur Co.)  
Marvin May 1-23 (23-2S-30W, API 15039209900000, Decatur Co.) )

Dear Sammy:

I spoke with Kathy of your office this morning about the pit closures on the captioned wells and she told me to write this letter to you. In 11/07, I fax'd requests to you requesting 30 day extensions for pit closure on both the captioned wells (the original 365 days for pit closure expired 11/17/2007 for the Marvin May and 11/7/07 for the Euhus Trust). At the time of the 11/07 request, I was assured by my contractor, Brooks Construction in Bartley, NB, that he could meet the extension deadline. I did not follow up with him, assuming the pits had been closed, and when I did not receive an invoice from him by years end I phoned him. He told me his "weather window" to close the pits was too short and they had not been closed and now we would have to wait again. The contractor spoke with Darryl Ditmer of the District 4 office today, and Darryl told him it was no problem and to get the pits closed as soon as weather permitted. I spoke with Darryl today to let him know we are requesting another extension. He said the conditions are bad and we will have to wait. I told him I would call him every now and then to get his assessment of the conditions. We have received no complaints from the landowners.

I am requesting a 90 day extension for both wells (since 30 days has already elapsed since the end of the last extensions). This time I will call the contractor on a regular basis to make sure he is checking the locations so he can get them closed.

I apologize for all the delays. Thank you for your time and please do not hesitate to call with any questions.

Sincerely,

  
Emily Hundley-Goff

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WICHITA, KS