


KANSAS
CORPORATION COMMISSION

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

January 31, 2008

HOWARD SHORT
FIVE STAR ENERGY INC
215 E 14TH
HARPER KS 67058

RE: LEASE: SMITH 3
LEGAL: 931'FSL-1188'FEL 34-30S-07W
COUNTY: KINGMAN
API NO: 15095220590000

Dear Mr. Short:

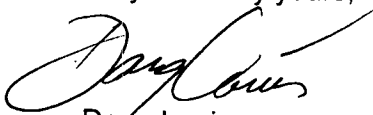
This letter is to inform you that you have been granted an extension of time in which to close the drilling pits associated with the drilling of the Smith 3 well.

The original 365 days for closure expired September 28, 2007. This extension will expire July 4, 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 # 2




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

MEMORANDUM

RECEIVED
KCC DISTRICT #2
DEC 27 2007
WICHITA, KS

To: District 2


From: Sammy K. Flaharty 

Date: 12/26/2007

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. *1-4-08*

Five Star Energy Inc.
Smith 3
931' fsl-3188' fel 34-30S-07W
Kingman county
15095220590000
spud 9/28/06 pit extension expired 12/28/07

6 month Extension


RECEIVED
KANSAS CORPORATION COMMISSION
JAN 08 2008
CONSERVATION DIVISION
WICHITA, KS



Phone:620-896-2710
Fax:620 896-2530
Email: senergy@sbcglobal.net

December 18, 2007

Kansas Corporation Commission

RE: Lease: Smith #3
Legal: 931' FSL-1188' FEL 34-30S-07W
County: Kingman
API: 15095220590000

Dear Sir/Madam:

We have pushed the pit in as much as possible at this time. Theis Dozer Service, Inc. is doing the dirt work. We are asking for an extension at this time after the recent rains.

Thank you,

Howard Short Pres. Five Star Energy, Inc.