


KANSAS
CORPORATION COMMISSION

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

January 31, 2008

JAY G SCHWEIKERT
LARIO OIL & GAS COMPANY
301 S MARKET ST
WICHITA KS 67202

RE: LEASE: MARSHALL E 27
LEGAL: 1730'FSL-2190'FWL 21-11S-18W
COUNTY: ELLIS
API NO: 15051255000000

Dear Mr. Schweikert:

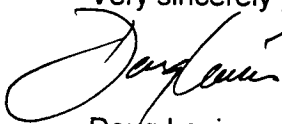
This letter is to inform you that you have been granted an extension of time in which to close the drilling pits associated with the drilling of the Marshall E 27 well.

The original 365 days for closure expired February 27, 2007. This extension will expire May 27, 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

MEMORANDUM

To: ~~District 4~~ *[Handwritten signature]*
From: Sammy K. Flaharty *[Handwritten signature]*
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.

Lario Oil & Gas Company
Marshall E 27
1730'FSL2190'FWL 24-11S-18W
Ellis county
15051255000000
Spud 2/27/06 pit extension expired 11/27/07

*OK to Extend
12/27/07
[Handwritten signature]*

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DEC 31 2007

CONSERVATION DIVISION
WICHITA, KS

KCC
DEC 27 2007
HAYS, KS

LARIO OIL & GAS COMPANY



301 SOUTH MARKET STREET
WICHITA, KANSAS 67202
(316) 265-5611 FAX: (316) 265-5610

December 10, 2007

Jonelle Rains
Dept. of Environmental Protection & Remediation
KANSAS CORPORATION COMMISSION
130 S. Market, Room 2078
Wichita, KS 67202-3802

RE: Closure Extension of Drilling Pits
Marshall 'E' #27
SE NE SW Sec. 24-11S-18W
Ellis Co., Kansas
API No. 15-051-125500000

255 00

Dear Ms. Rains:

The above referenced well was spudded on 2/27/06. According to K.A.R. 82-3-602, the subject drilling pits must be closed by 3/27/07. A 6-month extension was approved on 5/25/07.

This letter is to file for a second extension for the above rule.

Date of location inspection by agents: 11/19/07

Reason for extension: Ground is still soft for heavy equipment to effectively work. Water was observed in pit. Pit in water shed. This fall has had a lot of rain.

Estimated period of time until pit closure: 5/27/08

Your attention to this matter is appreciated.

Sincerely,

Jay G. Schweikert
Operations Engineer

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DEC 11 2007

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WICHITA, KS