


KANSAS
CORPORATION COMMISSION

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

January 31, 2008

CLARK D PARROT
NORSTAR PETROLEUM INC
6855 S HAVANA ST STE 250
CENTENNIAL CO 80112-3864

RE: LEASE: MALCOLM 1-16
LEGAL: 2510'FSL-760'FEL 16-21S-23W
COUNTY: HODGEMAN
API NO: 15083215160000

Dear Mr. Parrot:

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 Malcolm 1-16 well.

The original 365 days for closure expired May 19, 2007. This extension will expire June 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.

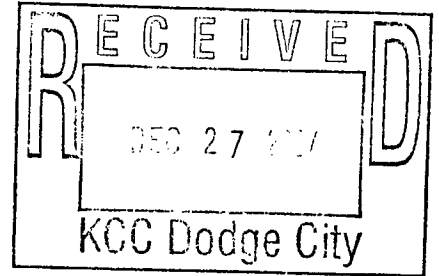
Very sincerely yours,



Doug Louis
Director

cc: Jonelle Rains
District # 1

MEMORANDUM



FROM ~~Dr~~ District 1

TO ~~From~~ Sammy K. Flaharty *JK*

Date: 12/21/2007

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.

Norstar Petroleum
Malcolm 1-16
2510'FSL-760'FEL 16-21S-23W
Hodgeman County
15083215160000
Spud 5/19/06 pit extension expired

6 month Ext.

American Warrior
Light 2-32A
1200'FSL-1225'FEL 32-33S-32W
Seward County
15175220620000
Spud 8/31/06 pit extension expired 11/30/07

3 month ext.

F. G. Holl Company LLC
Bayer A 1-16
1110'FSL-1600'FEL 16-21S-14W
Stafford County
15185233550000
Spud 5/2/06 pit extension expired 8/2/07

6 mo. Ext.

F. G. Holl Company LLC
Staats Trust 1-15
1400'FSL-1960'FWL 15-30S-14W
Barber County
15007229410000
Spud 10/25/05 Pit extension expired 1/25/07

6 mo. Ex

*S. Dumait
12-27-07*

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 04 2008

CONSERVATION DIVISION
WICHITA, KS



**NORSTAR
PETROLEUM
INC.**

6855 S. HAVANA ST.
SUITE 250
CENTENNIAL, CO 80112-3864
OFFICE (303) 925-0696
FAX (303) 925-0699

December 7, 2007

Kansas Corporation Commission
130 S. Market, Room 2078
Wichita, KS 67202-3802

RE: Pit Closure
API No. 15-083-21516-0000
Malcom 1-16
Sec. 16, T21S-R23W
Hodgeman County, KS

Dear Sir or Madam:

In response to your letter dated I called prior to the October 23, 2007 deadline. This letter serves as a follow up to that phone call. An invoice of the work that has been done to date is attached. Please be advised that consistent follow up has been on going to get the work completed.

The reserve pit was constructed to somewhat utilize part of the natural occurring surface features. The attached topographic survey shows the presence of a pit near the location. As such, the location tends to collect water naturally hindering the coordination of getting a vendor out there when it is dry. The well location and fresh water pit has been restored allowing the farmer to put his fence back up. Another extension is requested and efforts are ongoing complete the work.

Sincerely,

Clark D. Parrott, P.E.

Enclosures: Invoice 12/4/2006
Topographic survey
Extension letter 5/8/2007
KCC letter 10/2/2007

RECEIVED
DEC 10 2007
KCC WICHITA

Schmidtberger Const., Inc

Invoice

P.O. Box 93

Victoria, KS 67671

(785) 735-2250

Date	Invoice #
12/4/2006	7087

Bill To
Norstar Petroleum Inc. 6855 S. Havana St. Ste 250, Centennial Co. 80112

RECEIVED
DEC 10 2007
KCC WICHITA

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
	Lease: Malcolm # 1-16 Ordered By: Clark		
6	Hrs. 850-C John Deere Dozer <u>Closed fresh water pit and started to push back location.</u> December 1, 2006	160.00	960.00
9.5	Hrs. 850-C John Deere Dozer <u>Pushed back location so farmer could put back fence.</u>	160.00	1,520.00
	Ness County <u>* Reserve Pit still to wet to backfill. *</u>	5.30%	0.00

ACCT NO. 90101 JIB CAT 235 AFE 44
LSE 16570 WELL 021 D/O 2
DUE 1/4 VENDOR 77382
ENTERED BY CA REC DATE _____

Please pay from this invoice, 1 1/2% Service Charge on all past due accounts. 18% APR. Thank You

Total

\$2,480.00