



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

January 31, 2008

GARY F GENSCHE  
GATEWAY RESOURCES LLC  
224 S CRESTWAY  
WICHITA KS 67218

RE: LEASE: AMBROSIER 1-8X  
LEGAL: 645'FNL-1430'FWL 08-07S-22W  
COUNTY: GRAHAM  
API NO: 15065232220000

Dear Mr. Gensch:

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 Ambrosier 1-8X well.

The original 365 days for closure expired August 30, 2007. This extension will expire July 17, 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,

A handwritten signature in black ink that reads "Doug Louis". The signature is written in a cursive style with a large, prominent "D" and "L".

Doug Louis  
Director

cc: Jonelle Rains  
District # 4

MEMORANDUM

To: ~~Director~~

From: Sammy K. Flaharty

Date: 1/16/2008

Re: Pit Extensions

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KANSAS CORPORATION COMMISSION

JAN 18 2008

CONSERVATION DIVISION  
WICHITA, KS

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.

Mull Drilling company Inc.  
Curtis 1-31  
256'FNL-330'FEL 31-15S-26W  
Gove County  
15063216290000  
Spud 8/25/06 pit extension expired 11/25/07

American Warrior Inc.  
Lonnon 4-25  
1650'FSL-2310'FEL 25-20S-13W  
Barton County  
15009249580000  
Spud 7/14/06 pit extension expired 1/14/08

Palomino Petroleum Inc.  
Lonnon B 1  
470'FNL-2030'FEL 23-20S-13W  
Barton County  
15009249850000  
Spud 9/22/06 pit extension expired 10/31/07

Gateway Resources LLC  
Ambrosier 1-8X  
645'FNL-1430'FWL 08-7S-22W  
15065232220000  
Graham County  
Spud 8/30/06 pit extension expired 11/30/07

*OK To Extend All  
6 mo: not been  
Weather has  
cooperative. HDomes  
1-17-08*

KCC  
JAN 17 2008  
HAYS, KS

# GATEWAY RESOURCES, L.L.C.

224 S. CRESTWAY

Wichita, Kansas U.S.A. 67218

Office/Fax (316) 684-0199 Cell (316) 648-8522

January 10, 2008

Kansas Corporation Commission  
Conservation Division – Attn: Sammy Flaharty  
130 S. Market, Room 2078  
Wichita, KS 67202

Re: Pit Closure  
Gateway Resources, LLC  
#1-8X Ambrosier  
API No, 15-065-23,222-0000  
Section 8-7S-22W  
Graham County, Kansas

RECEIVED  
KANSAS CORPORATION COMMISSION  
JAN 14 2008  
CONSERVATION DIVISION  
WICHITA, KS

Dear Sammy:

I received in the mail today a pit closure extension violation notice letter dated January 8, 2008. I called the KCC office and talked to Kathy Haines (I'm not sure if I have spelled her name correctly). She has advised me to write you this letter. With respect to the pit closure, it was my understanding that I still had a little more time on this particular lease. Over the last year we have continued to fill in the main reserve pit a little at a time. With all the moisture they have had up there, as of about a month ago it still was wet according to my pumper.

Upon receipt of the letter I called the pumper and he told me he thought the pit was probably dry enough to finish the job. All of the other pits and most of the main reserve pit have already been filled in a number of months ago. I believe the dozer operator has been out there at least three times over this last year period. I contacted him and he said he would go check it out next week and see if he couldn't get the rest of the pit done by then, if in his opinion it was safe enough to fill in.

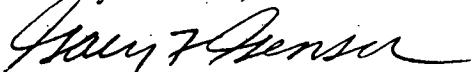
In an effort to cover myself as operator, I would like to request a 60 day extension from January 1, 2008 just in case it is still too wet to complete. I anticipate that he will be able to get it done, and as soon as he does I will mail in the Pit Closure form accordingly.

When you know if I can or cannot get the extension, please call me as the current deadline is January 28, 2008. I will be out of the office beginning next Wednesday afternoon for about two weeks, so if you could contact me before then, that would be very helpful.

Thank you very much.

Sincerely,

Gateway Resources, LLC

  
Gary F. Gensch, President

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JAN 18 2008  
CONSERVATION DIVISION  
WICHITA, KS