


KANSAS
CORPORATION COMMISSION

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

February 4, 2008

PALOMINO PETROLEUM
4924 SE 84TH ST
NEWTON KS 67114

RE: LEASE: DEWEY DIMOND 1
LEGAL: 990'FSL-2580'FEL 08-21S-13W
COUNTY: STAFFORD
API NO: 15185234020000

Dear Sir/Madam:

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 Dewey Dimond 1 well.

The original 365 days for closure expired October 21, 1007. This extension will expire April 23, 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

Falcon Exploration Inc

Giles Ranch 1-10

50'FNL-830'FWL 10-31S-22W

Clark County

15025213710000

Spud 8/17/06 pit extension expired 9/30/07

6 mo. Ext.

Palomino Petroleum Inc.

Rusco golden Belt 1

790'FSL-180'FWL 21-22S-13W

Stafford County

15185233950000

Spud 100506 pit extension expired 11/05/07

3 mo. Ext.

Palomino Petroleum Inc.

Dewey Dimond 1

990'FSL-2580'FEL 08-21S-13W

Stafford County

15185234020000

Spud 10/21/06 pit extension expired 11/21/07

3 mo. Ext.

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JAN 25 2008

CONSERVATION DIVISION
WICHITA, KS

MEMORANDUM

From: ~~RE~~ District 1

D: ~~From:~~ Sammy K. Flaharty

Date: 1/16/2008



Re: Pit Extensions

Please Approve the following Ext. S. Demand 1-23-08

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.

Southwind Petroleum Corporation

Taylor 1

1150°FNL-1320°FEL 35-27S-18W

Kiowa county

15097215850000

spud 2/12/06 pit ext expired 1/16/08

- 6 mo. Ext.

Grand Mesa Operating Company

Circle 8 3-18

330°FSL-1420°FWL 18-28S-40W

Stanton County

15187210860000

Spud 10/15/06 pit extension expired 1/6/08

6 mo. Ext.

R & B Oil & Gas Inc.

Traffas C 2

2310°FNL-660°FWL 32-32S-10W

Barber County

6 mo. Ext.

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CONSERVATION DIVISION
WICHITA, KS

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/>



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

Palomino Petroleum, Inc.
4924 SE 84TH ST
NEWTON KS 67114

January 8, 2008

Re: Closure of Drilling Pits
Dewey-Diamond #1
N/2 S/2 S/2 Sec. 8-21S-13W
Stafford County, Kansas
API#15-185-23402

Dear Sirs:

The above referenced well was spudded on 12/11/2006. According to K.A.R. 82-3-602, "Drilling pits ... shall be closed within a maximum of 365 calendar days after the spud date of a well". The subject drilling pits should have been closed by 12/11/2007. A Closure of Surface Pit, form CDP-4 (April 2004), should be filed within 30 days after the drilling pits are closed. **Conservation division forms are available through our office and on the KCC web site: <http://kcc.ks.gov/conservation/forms/>**

Should an extension be warranted, it must be received by 12/11/2007. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: 1/11/08

Reason for extension: Too wet

Estimated period of time until pit closure: 2 months

Failure to timely close the pit, file a request for an extension or file the closure form within the allotted time periods may result in assessment of an administrative penalty.

Your cooperation in this process is appreciated. If you have any questions or concerns, please call **Sammy Flaharty** at (316) 337-6227.

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WICHITA, KS