

KANSAS
CORPORATION COMMISSION

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

March 12, 2008

RODNEY K THOMSON
FAIR OIL LTD
P O BOX 689
225 SOUTH COLLEGE
TYLER TX 75702

RE: LEASE: NEIL MCWHIRTER 22-4 1
LEGAL: 330'FSL-2970'FEL 22-18S-29W
COUNTY: LANE
API NO: 15101219790000

Dear Mr. Thomson:

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 Neil McWhirter 22-4 1 well.

The original 365 days for closure expired November 17, 2007. This extension will expire August 25, 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.

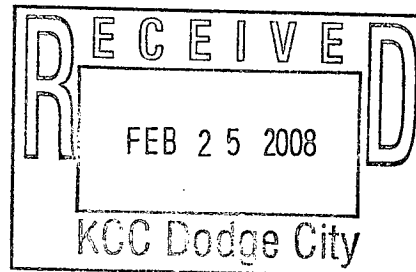
If you have any questions in this regard, please do not hesitate to contact Jonelle Rains at (316) 337-6226.

Very sincerely yours,


Doug Louis
Director

cc: Jonelle Rains
District #1

MEMORANDUM



From ~~To:~~ District 1

TO ~~From:~~ Sammy K. Flaharty *SKF*

Date: February 22, 2008

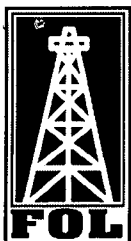
Re: Pit Extensions

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.

Fair Oil Ltd.
Neil McWhirter 22-4 1
330'FSL-2970'FEL 22-18S-29W
Lane County
15101219790000
spud 2/17/08 pit extension expired 2/17/08

*6 month Ext.
S.D.
2-25-08*

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 27 2008
CONSERVATION DIVISION
WICHITA, KS



FAIR OIL, LTD.

P.O. Box 689 • Tyler, Texas, 75710 • 225 South College • Tyler, Texas 75702 • (903) 592-3811 • FAX (903) 597-3587

February 19, 2008

Kansas Corporation Commission
Attn Jonelle Rains
Finney State Office Building
130 S Market, Room 2078
Wichita KS 67202-3802

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 22 2008
CONSERVATION DIVISION
WICHITA, KS

Re: Lease: KS2F Neil McWhirter 22-4 #1
Legal: 330' FSL – 2970' FEL 22-18S-29W
County: Lane
API No: 15101219790000
Pit Closure

Dear Ms. Rains:

Fair Oil, Ltd. has on several dates inspected the above pit for final closure. On February 1, 2008, Fair Oil attempted to finish closing the pit with a dozer. Even though the pit has been de-watered and partially closed, after a short period of time, water began to pump up around the dozer. Due to the pumping of water around the dozer, Fair Oil felt it advisable to pull of and wait till the ground dries further.

Fair Oil requests an additional extension of six (6) months to close the pit. We will continue to monitor the pit and finishing closure as soon as ground conditions permit. Thank you for your consideration of our request.

Sincerely
Fair Oil, Ltd.

Rodney K. Thomson
Production Manager