


KANSAS
CORPORATION COMMISSION

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

September 29, 2008

RICHARD SMITH
BEREXCO INC
P O BOX 20380
WICHITA KS 67208

RE: LEASE: STAAB 8
LEGAL: 1150'FNL-330'FEL 32-12S-17W
COUNTY: ELLIS
API NO: 15051256610000

Dear Mr. Smith:

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 Staab 8 well.

The original 365 days for closure expired July 18, 2008. This extension will expire March 25, 2009. 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,

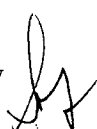


Doug Louis
Director

cc: Jonelle Rains
District #4

MEMORANDUM

To: District 4

From: Sammy K. Flaharty 

Date: September 17, 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.

Berexco Inc.
Staab 8
1150'FNL-330'FEL 32-12S-17W
Ellis County
15051256610000
Spud 7/18/07 pit extension expires 10/31/08

*Case Monis called 9/25/08
give 6 mo. ext. very wet*

BEREXCO INC.

September 15, 2008

Sammy Flaharty
Dept. of Environmental Protection & Remediation
Conservation Division, Kansas Corporation Commission
Wichita State Office Building
130 South Market, Room 2078
Wichita, KS 67202-3802

RE: Staab #8
Sec 32-T12S-R17W (1150' fnl, 330' fel)
Ellis County, Kansas
API # 15-051-25661-00-00

Mr. Flaharty:

I have become aware that we are past due in closing the reserve pit at the above location. The pit has collected some rain runoff and is still too wet to fill. We will divert further runoff from the pit so it can dry, and Berexco, Inc. requests that a six month extension be granted to allow additional time for the pit to dry before attempting to fill in. Thank you for your consideration of this matter.

Sincerely,



Richard Smith
Engineering Technician
(316) 337-8334
(316) 265-2994 (fax)
rsmith@berexco.com

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KANSAS CORPORATION COMMISSION

SEP 16 2008

CONSERVATION DIVISION
WICHITA, KS