



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

May 9, 2008

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

Re: Lease: RUSCO GOLDEN BELT 1
Legal: W2SWSW 21-22-13W
County: STAFFORD
API NO: 15185233950000

Dear Sir or Madam:

This letter is to inform you that you have been granted an additional extension of time in which to close the drilling pits associated with the drilling of the RUSCO GOLDEN BELT 1 well.

The original 365 days for closure expired 10/5/2007. This extension will expire 10/2/2008. 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 No. 01

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/>

Add Ext Req



Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
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Palomino Petroleum, Inc.
4924 SE 84TH ST
NEWTON KS 67114

April 21, 2008

Re: Closure of Drilling Pits
Rusco Golden Belt #1
790' FSL & 180' FWL Sec. 21-22S-13W
Stafford County, Kansas
API No. 15-185-23395-0000

*Spud: 10/15/06
Ext Exp 4/23/08*

Dear Sirs:

The above referenced well was spudded on 3/3/2007. 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 must be closed by 3/2/2008. 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 3/2/2008. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: 4/21/08

Reason for extension: Too wet

Estimated period of time until pit closure: 3 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.

RECEIVED
KANSAS CORPORATION COMMISSION

APR 22 2008

CONSERVATION DIVISION
WICHITA, KS



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NEWTON KS 67114

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RECEIVED
KANSAS CORPORATION COMMISSION

APR 23 2008

CONSERVATION DIVISION
WICHITA, KS

Jonelle Rains

From: Steve Durrant
Sent: Wednesday, April 23, 2008 3:43 PM
To: Jonelle Rains
Subject: RE: Request for Additional Extension - Drill Pit Closure

Richard Lacey was on this location 2 weeks ago and said that there was still water in the pit. Company is trying to crowd pit, but with all the rain, it's no drying out.
Rec' 6 month Extension.
Thanks

-----Original Message-----

From: Jonelle Rains
Sent: Wednesday, April 23, 2008 11:36 AM
To: Steve Durrant
Subject: Request for Additional Extension - Drill Pit Closure

Steve,

Attached is a request for an additional extension to close the drill pits. Please have someone inspect the location and forward the recommendation to my attention.

Thanks, Jonelle

Jonelle Rains
Environmental Scientist
Kansas Corporation Commission
(316) 337-6226
(316) 337-6211 Fax
<http://kcc.ks.gov/>

ADDITIONAL EXTENSION REQUEST - DISTRICT 01

API NO.	OPERATOR	WELL	QQQ	LOCATION	COUNTY	SPUD DATE	CLOSE DUE	EXT EXPIRE
15185233950000	Palomino Petroleum, Inc.	RUSCO GOLDEN BE 1	W2SWSW	21 - 22S - 13W	STAFFORD	10/5/2006	10/5/2007	4/23/2008