

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

Lease: STAUDINGER 2

Legal: S2NENW 20-16-12W

County: BARTON

API NO: 15009250290000

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 STAUDINGER 2 well.

The original 365 days for closure expired 3/7/2008. This extension will expire 9/5/2008. 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. 04



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

April 21, 2008

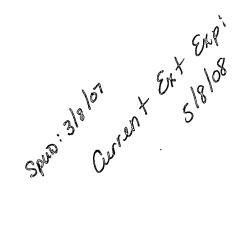
Re: Closure of Drilling Pits

Staudinger #2 890' FNL & 2130' FWL Sec. 20-16S-12W

Barton County

API No. 15-009-25029-0000

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 2 2 2008

CONSERVATION DIVISION WICHITA KS



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

April 21, 2008

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RECEIVED KANSAS CORPORATION COMMISSION

APR 23 2008

CONSERVATION DIVISION

(316) 337-6200 • Fax: (316) 337-6211 • http://kcc.ks.gov/

Jonelle Rains

From: Case Morris

Sent: Friday, April 25, 2008 8:39 AM

To: Jonelle Rains

Subject: RE: Request for Additional Extension - Drill Pit Closure

Hi Jonelle.

Bruce Rodie inspected these pits yesterday and said they were still very wet, so an extension would be okay. Case

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

From: Jonelle Rains

Sent: Wednesday, April 23, 2008 11:35 AM

To: Case Morris

Subject: Request for Additional Extension - Drill Pit Closure

Case,

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

Thanks, Jonelle

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