



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

August 29, 2008

YOLANDA NUNLEY
OSBORN HEIRS COMPANY
P O BOX 17968
SAN ANTONIO TX 78217-0968

RE: LEASE: KINZELL 11
LEGAL: 1220'FNL-2540'FEL 11-18S-12W
COUNTY: BARTON
API NO: 15009249570000

Dear Ms. Nunley:

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 Kinzell 11 well.

The original 365 days for closure expired December 14, 2007. This extension will expire February 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

Sammy Flaharty


From: Case Morris
Sent: Monday, August 25, 2008 9:35 AM
To: Sammy Flaharty
Subject: Pit Ext.

Hi Sammy,

Go ahead and give Osborn Heirs an extension on the Kinzel #11 in 11-18s-12w, Barton County. Also Falcon Exploration on the Teeter #3 in 35-13s-30w, Gove County. We got 4 inches of rain over the weekend. Thanks. Case.

MEMORANDUM

To: District 4

From: Sammy K. Flaharty 

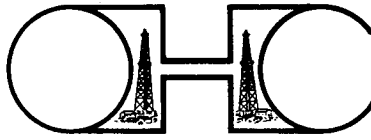
Date: August 20, 2008

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.

Osborn Heirs Company LTD
Kinzel 11
1220'FNL-2540'FEL 11-18S-12W
Barton County
15009249570000
Spud 12/14/06 pit extension expired 08/19/08

CONSERVATION DIVISION



OSBORN HEIRS COMPANY
OIL AND GAS EXPLORATION AND PRODUCTION

P.O. BOX 17968

SAN ANTONIO, TEXAS 78217-0968

(210) 826-0700

August 15, 2008

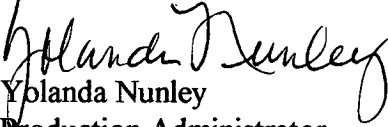
Ms. Jonelle Rains
Kansas Corporation Commission
130 S. Market, Room 2078
Wichita, KS 67202-3802

RE: Kinzel #11
Extension of Pit Closure
1220' FNL-2540' FEL
API No. 15-009-24957
Barton County, KS

Dear Ms. Rains,

Osborn Heirs Company spudded the above referenced Kinzel #11, located NE/4, Sec. 11-T18S-R12W, Barton County, Kansas, on December 14, 2006, with completion on April 25, 2007. Due to incessant rains to this area the pit has not had time to dry nor has it been permissible to be dewatered. Osborn Heirs Company respectfully requests a further extension to the August 19, 2008, originally given. A six-month extension to having the Kinzel #11 pit open would be sufficiently appreciated. For your ready reference, enclosed is a copy of the survey plat describing the surface location. If there are any questions or concerns, please do not hesitate to contact me.

Sincerely,

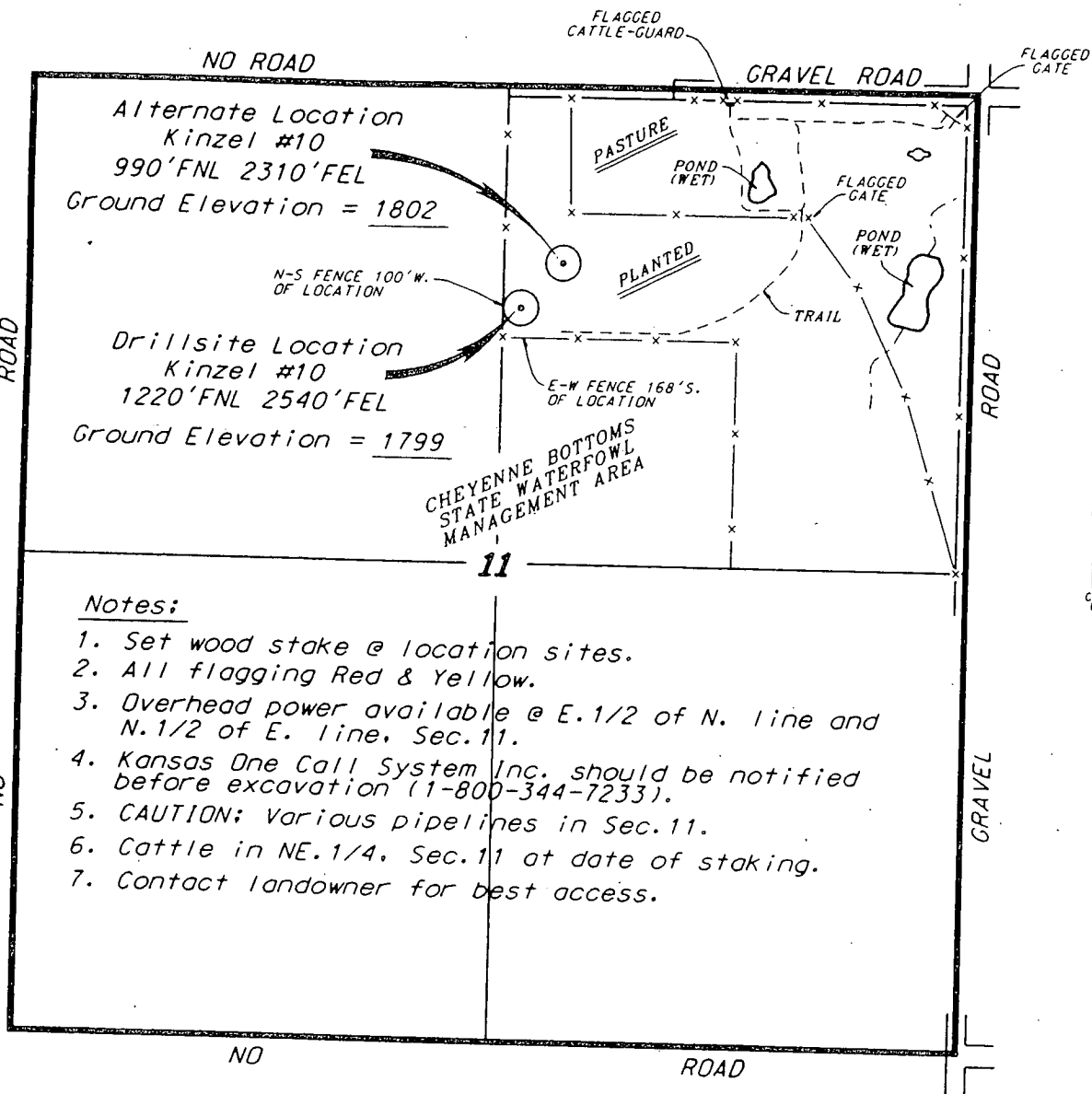

Yolanda Nunley
Production Administrator

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KANSAS CORPORATION COMMISSION

AUG 18 2008

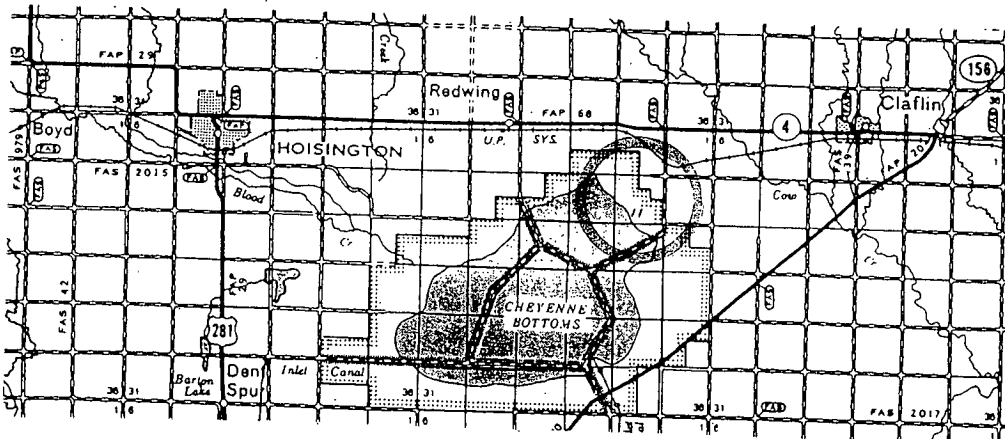
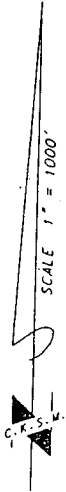
CONSERVATION DIVISION
WICHITA, KS

OSBORN HEIRS COMPANY
KINZEL LEASE
NE. 1/4, SECTION 11, T18S, R12W
BARTON COUNTY, KANSAS



Notes:

1. Set wood stake @ location sites.
2. All flagging Red & Yellow.
3. Overhead power available @ E. 1/2 of N. line and N. 1/2 of E. line, Sec. 11.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION; Various pipelines in Sec. 11.
6. Cattle in NE. 1/4, Sec. 11 at date of staking.
7. Contact landowner for best access.



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AUG 18 2008
CONSERVATION DIVISION
WICHITA, KS

Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed.
Elevations derived from National Geodetic Vertical Datum.

Date March 26, 2004

This plan is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.