

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

June 24, 2008

KIMBERLEE DIXON LAYNE ENERGY INC P O BOX 160 SYCAMORE KS 67363

RE: LEASE: DUNBAR 10-34

LEGAL: 2144'FSL-2242'FEL 34-33S-16E

COUNTY: MONTGOMERY API NO: 15125313430000

Dear Ms. Dixon:

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 Dunbar 10-34 well.

The original 365 days for closure expired April 24, 2008. This extension will expire August 31, 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 # 3

Layne Energy, Inc.

P.O. Box 160, Sycamore, KS 67363 Phone: (620) 627-2499 Fax: (620) 627-2586

June 17, 2008

Kansas Corporation Commission Attn: Sammy Flaharty 130 S. Market Room 2078 Wichita. KS 67202-3802

RE: Pit Closures

Dear Sammy,

In additions to the enclosed letters for extensions I also have four other wells that I need to extend.

API NO.	WELL	LOCATION	COUNTY Montgomery Elk Montgomery Montgomery	SPUD DATE
15125313270000	Smith 5-21	21-31-16E		04/12/2007
15049224550000	Elliot 14-21	21-29-12E		03/23/2007
15125313450000	Dunbar 12-35	35-33-16E		04/30/2007
15125313430000	Dunbar 10-34	34-33-16E		04/24/2007
15125313430000	Dunbar 10-34	34-33-10E	Montgomery	0412412001

Our guys have been checking these wells on a regular basis but due to the wet weather SEK has had we have been unable to backfill and close the pits.

As soon as things dry up enough that we can get in and not damage the property, we will get these all closed. Unfortunately it looks like rain for the next week or two so I'm not sure when we might get them done.

Thanks

Kimberlee Dixon

RECEIVED KANSAS CORPORATION COMMISSION

JUN 19 2008

CONSERVATION DIVISION WICHITA, KS



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