

  
**KANSAS**  
CORPORATION COMMISSION

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

June 23, 2008

TIM CARROLL  
CARROLL ENERGY LLC  
200 ARCO PLACE STE 230  
INDEPENDENCE KS 67301

RE: LEASE: SMART HD 2-B4  
LEGAL: 960'FSL-1650'FWL 02-25S-18E  
COUNTY: ALLEN  
API NO: 15001295940000

Dear Mr. Carroll:

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 Smart HD 2-B4 well.

The original 365 days for closure expired April 30, 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

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/>



## Carroll Energy, LLC



---

200 Arco Place, Suite 230 - Box 149 Independence, KS. 67301  
Phone: (620) 332-1600 Fax: (620) 332-1601

---

Jonelle Rains, Supervisor  
Conservation Division  
130 S. Market, Room 2078  
Wichita, KS 67202-3802


Lease: SMART HD  
Well: 2-B4  
API: 15-001-29594

Jonelle,

We are having a hard time getting to the above referenced drilling pit. We have been able to fence the pit in but weather has made it hard to get to and fill in properly. We would like an extension on the time needed to fill in the pit so that we can hopefully get a dry spell long enough to access and fill in the pit without tearing up the owner's land.

Please feel free to contact me with any questions or comments you may have.

Sincerely,

  
Tim Carroll  
Vice Operating Manager  
Carroll Energy, LLC

RECEIVED  
KANSAS CORPORATION COMMISSION

JUN 04 2008

CONSERVATION DIVISION  
WICHITA, KS