


KANSAS
CORPORATION COMMISSION

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

June 23, 2008

KENNETH A NORTON
K & B NORTON OIL & INVESTMENTS LLC
510 W 36TH ST
HAYS KS 67601

RE: LEASE: MERMIS 1
LEGAL: 1100'FNL-1710'FEL 16-14S-15W
COUNTY: RUSSELL
API NO: 15167234310000

Dear Mr. Norton:

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 Mermis 1 well.

The original 365 days for closure expired May 21, 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 # 4



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

K & B Norton Oil & Investments, LLC
510 W 36TH ST
HAYS KS 67601

May 28, 2008

Re: Closure of Drilling Pits
MERMIS Lease Well No. 1
SEWNNE 16-14S-15W
RUSSELL County, Kansas
API No. 15167234310000

Dear Sirs:

The above referenced well was spudded on 5/21/2007. 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 should have been closed by 5/20/2008. 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 within 14 days of the date of this letter. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator (agent): June 3/08

Reason for extension: Location has continuously been too wet to allow for proper pit closure, both to our standards as well as KCC regulations.

Estimated period of time until pit closure: As soon as it dries enough it will be completed.

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.

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JUN 05 2008

CONSERVATION DIVISION
WICHITA, KS

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/>

June 3, 2008

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

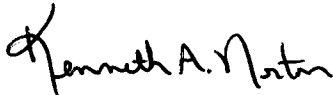
Re: Pit Closure; Mermis #1; API #15-167-23431 00 00; Russell Co., KS
SE/NW/NE Section 16-14S-15W

Ms. Flaharty:

The purpose of this letter is to request an extension to close our drilling pits on the above referenced well. We are actually very close to having the pits closed, but the weather just hasn't cooperated over the course of the past few months. I would say 90% of the work has been completed, if we can get a span of seven to ten days without moisture we should be able to get it done. As you are probably aware, since December 7, 2007 we've probably had twelve to fourteen measurable snow or ice storms, including one over 12 inches and another nearly 10 inches in this location. During the month of May we had over seven inches of rain, thus making the final task of closing the pits not only more difficult, but simply impossible. Our pumper drives by the location twice a week on his way to other wells, checking on the condition, as of today it's still not quite ready to go. We don't normally have a problem closing our pits and I assume we will eventually have enough dry weather that we will once again get this job completed. I've lived in western Kansas for 52 years I can't remember a year when it didn't eventually dry out.

In closing, I have attached a copy of your letter as requested, I apologize for the delay in getting this back to you, I was gone for seven days toward the end of May, since then I have been coordinating some clean up efforts in Gove County in regard to tornado damage on a farmstead my family owns. Thank you for your time and patience regarding the pit closures.

Sincerely,



Kenneth A. Norton
K. & B. Norton Oil & Investments, L.L.C.
510 W. 36th Street
Hays, KS 67601-1508
785-628-3422

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WICHITA, KS