

June 30, 2010

Lotus Operating Company LLC
100 S. Main Ste 420
Wichita, KS 67202

Re: Geist 1
SESE Sec. 17-23S-09W
Reno County, Kansas
API # 15-155-21550-00-00

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 Geist 1 well.

The original 365 days for closure expired on 07/08/2010. This extension will expire 10/08/2010. 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(a). 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,

A handwritten signature in cursive script that reads "Doug Louis".

Doug Louis
Director

Cc: Jonelle Rains
District

*Lead
6-30-10*



Lotus Operating Company LLC

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FAX (316) 219-1217
thellman@lotusoperating.com

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

RE: #1 Geist Pit Closure
15-155-21550
Reno County, KS

Ms. Rains,

The reserve pit was inspected June 21, 2010 for closure and the bottom of the pit was still wet. We have since cut 'windows' in the reserve pit walls to aid in the drying process. Lotus Operating Co., LLC would like to request a 4 month extension to ensure that the pit is completely dry before we restore the location.

Sincerely

Tim Hellman
Lotus Operating Co. LLC

10/8/10