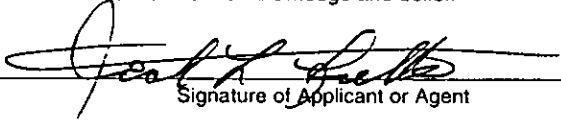
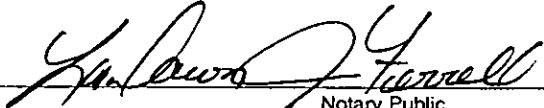
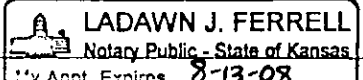


CLOSURE OF SURFACE PIT CONSERVATION DIVISION
WICHITA, KS

Operator Name: KC Resources Inc.	License Number: 3880
Operator Address: P O Box 6749, Snowmass Village, CO 81615	
Contact Person: Jack Luthi	Phone Number: (620) 770 - 2375
Permit Number (API No. if applicable): 015-095-01825 - 0001	Lease Name & Well No.: Alameda 12-1
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit	Pit Location (OOOO): NE SW Sec. <u>27</u> Twp. <u>28</u> R. <u>7</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1980</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>3300</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Kingman _____ County
Date of closure: <u>3/10/07</u>	
Was an artificial liner used? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If no, how were the sides and bottom sealed to prevent downward migration of the pit contents?	
Abandonment procedure of pit: <u>Hauled off water, let pit dry and cover.</u>	
The undersigned hereby certifies that he / she is <u>Jack Luthi</u> for <u>KC Resources Inc.</u> (Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of his /her knowledge and belief.	
 _____ Signature of Applicant or Agent	
Subscribed and sworn to me on this <u>12</u> day of <u>April</u> , <u>2007</u>	
 _____ Notary Public	
My Commission Expires:	 LADAWN J. FERRELL Notary Public - State of Kansas My Comm. Expires <u>8-13-08</u>

KCC District #2
Wichita State Office Bldg.
130 S. Market, Room 2125
Wichita, KS 67202

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 07 2007

CONSERVATION DIVISION
WICHITA, KS

**WORKOVER PIT APPLICATION
VERBAL AUTHORIZATION**

DATE: 3/7/07 TIME: 1:45
OPERATOR: H.C. Resources CONTACT PERSON: Jack Luthi
LEASE NAME: Alameda Unit
NE SW SEC. 27 TWP. 28 RANGE 7 E (W) COUNTY: Kingman

CONSTRUCTION:
SIZE: WIDTH 4' LENGTH 6' DEPTH 3 1/2'
ESTIMATED CAPACITY 60 BBLS

EST. DEPTH TO GROUNDWATER (if known): NA
TYPE OF FLUID: Saltwater Workover Fluids
 Cement Drilling Mud/Cuttings

DOES OPERATOR PLAN TO LINE PIT: YES NO
ESTIMATED TIME BEFORE PIT WILL BE CLOSED: Days
ANY KNOWN WATER WELLS WITHIN 1/4 MILE OF PIT: YES NO

K.C.C. INFORMATION: IS PIT IN SGA? YES NO

- K.C.C. DISTRICT #2 RECOMMENDATION (Check One):
- 1. Authorization granted with no liner.
 - 2. Authorization granted, if pit is lined.
 - 3. Authorization granted, no liner necessary, but free fluids must be removed within hours of completion of workover/plugging operations.
 - 4. No verbal authorization will be given without on-site inspection.

*Remind operator that pit permit form must be filed within five (5) days after verbal authorization.

RESULTS OF INSPECTION:

Heagy Eves Agent Date 3/7/07

CC: JONELLE RAINS

15-095-018250000

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

March 26, 2007

Crystal River
PO Box 6749
Snowmass Village, CO 81615

RE: Verbal on Workover Pit
Alameda Unit Lease
SW/4 Sec. 27-28S-07W
Kingman County, Kansas

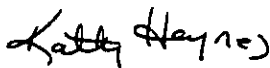
Dear Sir or Madam:

According to our files we do not have an application for the above referenced workover pit, district staff gave verbal approval on 03/07/2007. According to K.A.R. 82-600(b) workover pits may be permitted through verbal authorization from the appropriate district office subject to the filing of a surface pond application within five days after the verbal authorization.

Please complete surface pond application form (CDP-1) and return to this office within 14 days of the date of this letter. If this pit has been closed please complete the closure of surface pit form (CDP-4). Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

If you have any questions please feel free to call me at (316) 337-6243.

Sincerely,



Kathy Haynes
Department of Environmental Protection and Remediation