

CORPORATION COMMISSION

KATHLEEN SEBELLUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
JOHN WINE, COMMISSIONER
ROBERT E. KREHBIEL, COMMISSIONER

April 26, 2004

ROGER HIMSTREET INDIANOLA OIL INC BOX 1052 BARTLESVILLE OK 74005

RE: LEASE: PETERSON 1

LEGAL: 1980'FSL-1980'FEL 21-32S-13E

COUNTY: CHAUTAUQUA

API NO: 15 019 24587 0000

Dear Mr. Himstreet:

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 Perterson 1 well.

The original 365 days for closure expired April 10, 2004. This extension will expire June 15, 2004. 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 surface pond closure 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(e). 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,

M. L. Korphage

Director

cc: Jonelle Rains³
District #3

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR BRIAN J. MOLINE, CHAIR JOHN WINE, COMMISSIONER ROBERT E. KREHBIEL, COMMISSIONER

March 30, 2004

RECEIVED ICANSAS CORPORATION COMMISSION

Indianola Oil, Inc. Box 1052 Bartlesville OK 74005

APR 0 9 2004

Re: Closure of Drilling Pits

CONSERVATION DIVISION WICHITA, KS

PETERSON Lease Well No. 1 NWSE 21-32S-13E

CHAUTAUQUA County, Kansas API No. 15019265870000

Dear Sirs:

The above referenced well was spudded on 4/10/2003. According to K.A.R. 82-3-602, "Drilling pits shall be abandoned and closed within a maximum of 365 calendar days after the spud date of a well". The subject drilling pits must be closed by 4/9/2004. Enclosed is a surface pond closure form, CDP-4. Please fill out the form and return it within 30 days after the drilling pits are closed.

Should an extension be warranted, it must be received by 4/9/2004. TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:

Date of location inspection by operator/agent: April 7, 2004

Reason for extension: Well completion operations required pit for containment

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. FAILURE TO RESPOND TO THIS WRITTEN NOTICE WILL RESULT IN AN INSPECTION OF THE LEASE BY DISTRICT STAFF TO VERIFY COMPLIANCE/NON-COMPLIANCE WITH THE CLOSURE REQUIREMENT. THE EXPENSE INCURRED, INCLUDING MILEAGE AND STAFF TIME, WILL BE CHARGED TO THE OPERATOR.

Your cooperation in this process is appreciated. If you have any questions or concerns, please call Sammy Flaharty at (316) 337-6227.

Sincerely,

Jonelle Rains, Supervisor

Department of Environmental Protection and Remediation

| EILTER SELECTION |) API Number 15-019 | -26587 | Twpn Rngn | 7 1 |
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| API-NO 15-019-26587-00-00 | WL Type | CM District # 0 | 3 County CHAUTAU | OUA |
| Company (33206) Indianola C | watermoon's | | PETERSON 1 | |
| Location QTR: NWSE SEC: 21 TWP: 32S RNG: 13E FOOTAGE: 1980FSL AND 1980FEL | | | | |
| Docket & Extension | Legacy | Owner J | | |
| Dates Intent Apprv: 03/19/200 | 3 Compl: | Orig | TA Dt: | |
| Permit Expire: 09/19/200 | | The state of the s | pprv Dt: | W |
| ACO-1 Spud: 04/10/200 | Plügged: | TAE | xpir Dt: | |
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| SC Int: 225 | -41 | GWA: | Date CP-2/3 Recyd: | |
| | (17)17171 | RFAS CDP 5: E | | |
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