Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 67202-1513



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Sam Brownback, Governor

Jay Scott Emler, Chairman Shari Feist Albrecht, Commissioner Pat Apple, Commissioner

July 18, 2016

Palomino Petroleum, Inc. 4924 SE 84<sup>th</sup> St Newton, KS 67114-8827

Re: Jon-Maxine Trust 1 NE/4 Sec. 25-16S-25W Ness County, Kansas 15-135-25863-00-00

Dear Sir or Madam:

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 Jon-Maxine Trust 1 well.

The original 365 days for closure expired on 7/06/2016. This extension will expire on 10/06/2016. 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, but not the time period for filing the waste transfer form (CDP-5).

Failure to close the pit or request an additional extension prior to the expiration date shall result in a monetary penalty in accordance with K.A.R. 82-3-602(a). An additional pit extension may be renewed upon request, but no pit permit extension shall be extended beyond six months after the original deadline.

Please complete the pit closure form (CDP-4) through Kolar (Kansas On-Line Automated Reporting) at https://kolar.kgs.ku.edu.

If you have any questions in this regard, please do not hesitate to contact Kathy Haynes at (316) 337-6243.

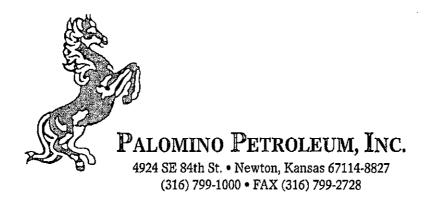
Sincerely,

Ryan A. Hoffman

Director

Cc: File

District



July 11, 2016

Kathy Haynes Kansas Corporation Commission Conservation Division 130 S. Market Room 2078 Wichita, Kansas 67202

RE: 15-135-25863-00-00

Dear Ms. Haynes:

I am writing this letter to request an extension of 60 days be given for pit closure for the Jon-Maxine Trust #1 well located Sec. 25-16S-25W in Ness County. The reason for this extension is it is too wet.

If you have any questions, please feel free to call us.

Sincerely,

PALOMINO PETROLEUM, INC.

Carla Perwell

Carla Penwell Secretary