


KANSAS
CORPORATION COMMISSION

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

December 23, 2008

GRA EX LLC
1603 N WALNUT
P O BOX 32
KINGMAN KS 67068

RE: LEASE: CHAPPELL 1
LEGAL: 3960'FSL-3300'FEL 02-25S-14W
COUNTY: STAFFORD
API NO: 15185234950000

Dear Sir/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 drilling of the Chappell 1 well.

The original 365 days for closure expired December 21, 2008. This extension will expire June 21, 2009. 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,


Doug Louis
Director

cc: Jonelle Rains
District # 1



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Gra Ex, LLC
1603 N WALNUT
PO BOX 32
KINGMAN KS 67068

November 26, 2008

Re: Closure of Drilling Pits
CHAPPELL Lease Well No. 1
E2NW 2-25S-14W
STAFFORD County, Kansas
API No. 15185234950000

Dear Sirs:

The above referenced well was spudded on 12/21/2007. 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 must be closed by 12/20/2008. 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 by 12/20/2008. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: _____

Reason for extension: Extremely wet seasons left pit still
to wet to close

Estimated period of time until pit closure: 6 mos

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.

PLEASE
EXTEND - HARKINS
[Signature]

RECEIVED
KANSAS CORPORATION COMMISSION
DEC 03 2008
CONSERVATION DIVISION
WICHITA, KS