


KANSAS
CORPORATION COMMISSION

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

October 20, 2008

ENERJEX KANSAS INC
27 CORPORATE WOODS STE 350
10975 GRANDVIEW DR
OVERLAND PARK KS 66210

RE: LEASE: KIPP 1
LEGAL: 2047'FNL-450'FWL 36-24S-17E
COUNTY: ALLEN
API NO: 15001296390000

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 Kipp 1 well.

The original 365 days for closure expired October 5, 2008. This extension will expire January 5, 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(c). 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 # 3



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Energex Kansas, Inc.
27 CORPORATE WOODS, STE 350
10975 GRANDVIEW DR
OVERLAND PARK KS 66210

October 7, 2008

Re: Closure of Drilling Pits
KIPP Lease Well No. 1
SWSWNW 36-24S-17E
ALLEN County, Kansas
API No. 15001296390000

Dear Sirs:

The above referenced well was spudded on 10/5/2007. 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 10/4/2008. 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 10/4/2008. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: 9/15/08

Reason for extension: Well is not completed

Estimated period of time until pit closure: 120 days

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.

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KANSAS CORPORATION COMMISSION

OCT 16 2008

CONSERVATION DIVISION
WICHITA, KS

CONSERVATION DIVISION
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