



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

June 24, 2008

LAYNE ENERGY OPERATING LLC
1900 SHAWNEE MISSION PKWY
MISSION WOODS KS 66205

RE: LEASE: CHISM 3-12
LEGAL: 1107'FNL-1988'FWL 12-32S-14E
COUNTY: MONTGOMERY
API NO: 15125313530000

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 Chism 3-12 well.

The original 365 days for closure expired May 6, 2008. This extension will expire August 31, 2008. 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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Layne Energy Operating, LLC
1900 SHAWNEE MISSION PKWY
MISSION WOODS KS 66205

May 28, 2008

Re: Closure of Drilling Pits
CHISM Lease Well No. 3-12
S2NENW 12-32S-14E
MONTGOMERY County, Kansas
API No. 15125313530000

Dear Sirs:

The above referenced well was spudded on 5/6/2007. 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 should have been closed by 5/5/2008. 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 within 14 days of the date of this letter. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: May 5, 2008

Reason for extension: Wet weather - Can't get in

Estimated period of time until pit closure: N/A

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

JUN 19 2008

CONSERVATION DIVISION
WICHITA, KS

FILTER SELECTIO

Search T-Is / Letters

Sec Twpn Rngn

Company

Find

API Number

15-125-31353



API #

15-125-31353-00-00

Well

CHISM 3-12

City

MONTGOME

Dkt

Oper

33365

LAYNE ENERGY OPERATING, LLC

A

Lgcy Oper

Work Oper

C-1 Oper

LAYNE ENERGY OPERATING, LLC

WL Type

GAS

WL Stat

PR

Status Source

ACOI

Status Dt:

11/27/2007

Location

12-32S-14E S2NENW, 1107 FNL 1988 FWL

District #

03

Dates

Intent Apprv:

05/01/2007

Compl:

10/10/2007

Permit Expire:

11/01/2007

Compl Rpt Rec:

08/30/2007

ACO-1 Spud:

05/08/2007

Plugged:

District Spud:

05/06/2007

SC Int:

20

PIT Cls EXT:

Pit Cls:

PIT Status

Request Received for Extension

Dewater:

BBLs:

SGWA:

RFAC

RFAS

PitLiner

Steel

CP 1:

CP 2.3:

CP 4:

CDP 5:

Date CP-2/3 Recvd:

Date CP-4 Recvd:

