



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

June 24, 2008

CEP MID-CONTINENT LLC
ONE ALLEN CENTER
500 DALLAS ST 33RD FL
HOUSTON TX 77002

RE: LEASE: KNISLEY 7-5
LEGAL: 2310'FNL-1230'FEL 07-33S-17E
COUNTY: MONTGOMERY
API NO: 15125313360000

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 Knisley 7-5 well.

The original 365 days for closure expired May 17, 2008. This extension will expire July 30, 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



JUN 12 2008

REGULATORY

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CEP Mid-Continent LLC
ONE ALLEN CENTER
500 DALLAS ST 33RD FL
HOUSTON TX 77002

May 28, 2008

Re: Closure of Drilling Pits
KNISLEY Lease Well No. 7-5
SWSENE 7-33S-17E
MONTGOMERY County, Kansas
API No. 15125313360000

Dear Sirs:

The above referenced well was spudded on 5/17/2007. 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 5/16/2008. 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: _____

Reason for extension: _____ CEP acquired well 01/08 from EnergyQuest;
_____ request extension for time to verify that pit was
_____ actually closed so CDP-4 form may be prepared.

Estimated period of time until pit closure: 7-30-08

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

Thank you

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Sec Twpn Rngn



Company

API Number 15-125-31336

API # 15-125-31336-00-00

Well KNISLEY 7-5

Cty MONTGOME

Dkt

Oper 34027 CEP MID-CONTINENT LLC

A

Lgcy Oper

Work Oper

C-1 Oper

ENERGYQUEST MANAGEMENT, LL

WL Type GAS

WL Stat PR

Status Source: TI

Status Dt: 11/01/2007

Location 7-33S-17E SWSENE, 2310 FNL 1230 FEL

District # 03

Dates

Intent Apprv: 04/18/2007

Compl:

Permit Expire: 10/18/2007

Compl Rpt Rec:

ACO-1 Spud:

Plugged:

District Spud: 05/17/2007

SC Int:

PIT Cls EXT:

Pit Cls:

PIT Status Request Received for Extension

Dewater:

BBLS:

SGWA:

RFAC

RFAS

PitLiner

Steel

CP 1:

CP 2.3: Date CP-2/3 Recvd:

CP 4: Date CP-4 Recvd:

CDP 5:

