

Mark Parkinson, Governor Thomas E. Wright, Chairman Joseph F. Harkins, Commissioner Ward Loyd, Commissioner

May 27, 2010

Credo Petroleum Corporation 1801 Broadway Ste 900 Denver, CO 80202

Re: Klepper CPC 1-15

SENE Sec. 15-19S-11W Barton County, Kansas API # 15-009-25307-00-00

Dear Sir or Madam:

This letter is to inform you that you have been granted an additional extension of time in which to close the drilling pits associated with the drilling of the Klepper CPC 1-15 well.

The original 365 days for closure expired on 02/10/2010. This extension will expire 08/26/2010. 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.

(C) (C)

Very sincerely yours,

Doug Louis
Director

Cc: Jonelle Rains

District

FILTER SEI	<u>-ECHO</u> -	earch T-1s / Letters Search Well Inventory	Sec	Twp Rngn	7 De
Company	Fin AP	I Number			
API # 15-009-2530	7-00-00 Well K	LEPPER CPC 1-15		Cty BARTON	Dkt
Oper 8628	CREDO PETROL	EUM CORPORATION	Lgcy Oper		
Work Oper		Baral sa Africa I	C-1 Oper	CREDO PETROL	EUM CORPORATI
WL Type DH	WL Stat PA	Status Source: CP23	Status I	Ot: 02/16/2009	
Location 15-19S-1	IW SENWSENE, 17	80 FNL 690 FEL		taganaan madan da amaan hadda baan da da	District # 04
<u>Dates</u>					
Intent Apprv:	01/23/2009	Compl: 02/16/2009			
Permit Expire:	01/23/2010	Compl Rpt Rec: 05/01/2009			
ACO-1 Spud:	01/31/2009	Plugged: 02/16/2009			
District Spud:	02/10/2009				
Drilling					
		Spud Ltr: 🗸	CP 1:		
SC Int:	250	SGWA: 🗹	CP 2.3:	Date CP-2/3 Rec	
PIT Cls EXT	08/26/2010		CP 4: ☑	Date CP-4 Rec'd	05/01/2009
Pit Cis:		RFA 💆	CDP 5: Y		
PIT Status:	Active Extension/Clo		ng sa		
Dewater:	HD BBLS	100 Steel			
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May 19, 2010

Kansas Corporation Commission Oil & Gas Conservation Division 130 S. Market – Room 2078 Wichita, KS 67202-3802

RE: Klepper CPC 1-15

API # 15-009-25307000

Sec 15-19S-11W Barton County, KS

Dear Sir/Madame:

The pit for the referenced well contains standing water. I have instructed the dirt contractor to fill absolutely as soon as possible. In the meantime, please grant an extension on this pit closure.

Sincerely,

CREDO PETROLEUM CORPORATION

Jack Repfro

Operations Manager

JR/mdh

Enclosure: Copy of Notice of Violation

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Mark Parkinson, Governor Thomas E. Wright, Chairman Joseph F. Harkins, Commissioner Ward Loyd, Commissioner

May 5, 2010

Credo Petroleum Corporation 1801 BROADWAY # 900 DENVER CO 80202

RE: NOTICE OF VIOLATION - 82-3-602

Dear Sir or Madam:

K.A.R. 82-3-602(a) states that drilling pits shall be closed within a maximum of 365 calendar days after the spud date of a well. Any pit permit may be extended upon written request by the operator and with the approval of the director. Failure to close any pit or to file an extension within the prescribed time limits shall be punishable by a \$250 penalty.

K.A.R. 82-3-602(c) states "Each operator of a pit shall file a pit closure form ... within 30 days after the closure of the pit. Failure to file the pit closure form in accordance with this subsection shall be punishable by a \$100 penalty".

According to our records a Closure of Surface Pit, form CDP-4 (April 2004), or a request for an extension has not been filed and is past due for the following well:

API NO. 15009253070000	WELL	LOCATION	COUNTY	SPUDDATE
	KLEPPER CPC 1-15	15-19-11W	BARTON	2/10/2009

This requested information must be submitted by May 24, 2010. Failure to submit the requested information by this date may subject Credo Petroleum Corporation to the assessment of the above referenced penalty(s). Conservation division forms are available through our office and on the KCC web site: http://kcc.ks.gov/conservation/forms/

Should you have any questions or concerns please contact Kathy Haynes at (316) 337-6243.

Sincerely,

Jonelle Rains, Supervisor

Joselle Rains

Department of Environmental Protection and Remediation

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MAY 2 1 0000

KCC WICHITA