

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

July 13, 2010

JAG Operations, Inc. 701 S. Front PO Box 628 Russell, KS 67665

Re:

Olson A 1

SWNW Sec. 23-13S-15W Russell County, Kansas API # 15-167-23581-00-00

## 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 Olson A 1 well.

The original 365 days for closure expired on 07/09/2010. This extension will expire 10/09/2010. 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.

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Very sincerely yours,

Doug Louis Director

Cc:

Jonelle Rains

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