Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802



CDP4D

Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Sam Brownback, Governor

Mark Sievers, Chairman Ward Loyd, Commissioner Thomas E. Wright, Commissioner

December 12, 2011

Orca Operating Company LLC 427 S. Boston Ste 929 Tulsa, OK 74103

Re:

Canton SWD 1

NWNWNW Sec. 36-19S-01W McPherson County, Kansas API # 15-113-21342-00-00

Dear Sir or 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 Canton SWD #1 well.

The original 365 days for closure expired on 09/04/2011. This extension will expire 03/12/2012. 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 Kathy Haynes at (316) 337-6243.

Very sincerely yours,

Doug Louis Director

Cc:

File

District

FILTER SEL Company	ECHO S	arch T-18 / Letters earch Well Inventory Number	Sec Twp Rugu	
API# 15-113-21342 Oper #####	00-00 Well CA	NTON SWD T	Ciy NICPHE Lgcy Oper	RSO DIA 030613.0
Work Oper WL Type SWD	WL Stat Al	Status Source: UICDF	C-1 Oper ORCA OPER Status Dt: 01/31/2011	ATING COMPANY LLC
Location 36-198-IV <u>Dates</u> Intent Apprv: Permit Expire: ACO-1 Spud: District Spud:	08/30/2010 08/30/2011 08/30/2011 09/05/2010 09/04/2010	Compl: 01/20/2011 Compl Rpt Rec: 01/27/2011 Plugged:		District # 02
SC Int: PIT Cls EXT PIt Cls: PIT Status; Dewater:	200 03/12/2012 Active Extension/Clor BBLS	Spud Ltr: SGWA: RFAC RFA RFA Sure Dela PitLiner Steel Steel	CP 1:	

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Sam Brownback, Governor

Mark Sievers, Chairman Ward Loyd, Commissioner Thomas E. Wright, Commissioner

November 28, 2011

Jason Andrews Orca Operating Company LLC 427 S. BOSTON, STE 929 TULSA OK 74103

RE: NOTICE OF VIOLATION - 82-3-602

Dear Jason Andrews:

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.	<u>WELL</u>	LOCATION	COUNTY	SPUDDATE
15113213420000	Canton SWD 1	36-19-1W	MCPHERSON	9/5/2010

This requested information must be submitted by **December 20, 2010**. Failure to submit the requested information by this date may subject **Orca Operating Company LLC** to the assessment of the above referenced penalty(s). Extension requests are to be mailed to the above referenced address. As a KOLAR operator, please file the Closure of Surface Pit, form CDP-4 form electronically through KOLAR.

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

Sincerely,

Jonelle Rains, Supervisor

Department of Environmental Protection and Remediation

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3/12/11