Conservation Division Finney State Office Building ¥30 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 Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner

March 27, 2013

JAG Operations, Inc. 710 S. Front PO Box 628 Russell, KS 67665

Re:

Haines #1

NE/4 Sec. 25-13-15W Russell County, Kansas API # 15-167-23764-00-00

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 Haines #1 well.

The original 365 days for closure expired on 02/06/2013. This extension will expire 06/27/2013. 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



710 S. Front PO Box 628 Russell, Ks. 67665 gyost@ruraltel.net Office (785)445-4142 Fax (785)445-4038 Jack (785)483-0271 Gina (785)483-0272

March 22, 2013

Kansas Corporation Commission Conservation Division 130 S. Market, Suite 2078 Wichita, Ks. 67202

RE:

Lease: Height "A" #1

Legal: 2530' FSL-1390' FEL, 14-13-15W

County: Russell

API#: 15-167-23767-00-00

Lease: Haines #1

Legal: 1585' FNL-1445' FEL, 25-13-15W

County: Russell

API#: 15-167-23764-00-00

Dear KCC,

This letter is to request an extension on the closing of the pits on the above captioned wells. At this time the fresh water pits have been closed. The remaining pits have not been backfilled due to the amount of moisture remaining in them. As soon as we can we will have the pits backfilled.

If you have any questions regarding this matter please call Jack Yost at the above number.

Thank You,

Gina Yost