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



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

Sam Brownback, Governor

Shari Feist Albrecht, Chair Thomas E. Wright, Commissioner Jay Scott Emler, Commissioner

February 7, 2014

Caerus Oil and Gas LLC 600 Seventeenth St Ste 1600N Denver, CO 80202

Re: Benton 1-42

NE/4 Sec. 01-18S-14W Barton County, Kansas 15-009-25715-00-00

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 Benton 1-42 well.

The original 365 days for closure expired on 07/06/2013. This extension will expire 05/07/2014. **No additional extensions will be granted.** 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 filling the closure of surface pit form.

Failure to close the pit prior to the expiration date shall result in a monetary penalty in accordance with K.A.R. 82-3-602(a).

Please complete the pit closure form (CDP-4) through Kolar (Kansas On-Line Automated Reporting) at https://kolar.kgs.ku.edu.

If you have any questions in this regard, please do not hesitate to contact Kathy Haynes at (316) 337-6243.

Sincerely,

Regan an Hoffman Ryan A. Hoffman

Director

Cc: File

District



Caerus Oil and Gas LLC 600 Seventeenth Street Suite 1600N Denver, CO 80202

February 3, 2014

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

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Attn: Kathy Haynes

To whom it may concern,

We are in receipt of Notices of Violation for the Fritzemeier 31-32, Benton 1-42 and Lacey 20-13 wells regarding Closure of Surface Pit ("CDP-4") forms. It is to my knowledge that all three of these pits are currently open and Caerus is now in the process of closing them.

Caerus would like to request a 30-day extension on the Notices of Violation in order to properly close these pits. The CDP-4 forms will be filed as necessary once the pits are confirmed to be closed.

Sincerely,

Alex D. Sale

Operations Engineer