

Shari Feist Albrecht, Chair
Thomas E. Wright, Commissioner
Mark Stevers, Commissioner

Sam Brownback, Governor

January 29, 2014

Osage Resources, LLC
6209 N. State Rd 61
Hutchinson, KS 67502

Re: Osage # HC-3
SE/4 Sec. 25-33S-15W
Barber County, Kansas
15-007-23789-01-00

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 Osage #HC-3 well.

The original 365 days for closure expired on 02/18/2013. This extension will expire on 03/01/2014. Conditions should have existed within this time frame to allow closure of this drill pit. **No additional extensions will be granted.**

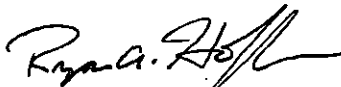
In the event there is water standing in these pits, please dewater and dispose of fluids in an authorized disposal facility to expedite closure. Extension of this time frame automatically extends the time period for filing the closure of surface pit form.

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,



Ryan A. Hoffman
Director

Cc: File
District

Kathy Haynes

From: Shaina Clark [slc@osageoil.com]
Sent: Wednesday, January 22, 2014 4:33 PM
To: Kathy Haynes
Subject: Osage Reserve Pits

Kathy,

I sent in a letter earlier in the week regarding the drilling pit for the Osage No. 19-04H and for the HC-3. I talked to our Operations Manager a little more after sending in those letters, and he mentioned that we have been coordinating with Richard Lacey working on emptying our large recycling pit, which goes into the same disposal we would empty the HC-3 pit into. This has been another thing that has hampered the efforts of getting the HC-3 pit closed, as emptying the recycling pit is of the highest priority right now.

It was also mentioned that we are planning on drilling a well in the same vicinity as the Osage No. 19-04H, and would hope to just use the same pit instead of digging a brand new one in the same spot.

As I mentioned in my request, I understand that the letter we received from the KCC said that no further extensions would be granted. However, I'm hoping that we can work together on these two issues to reach a solution that will accommodate our current and future operations.

Thanks!



Shaina Clark
Osage Resources, LLC
Land Administrator
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Hutchinson, Kansas 67502
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DIST - Deny -

*DIST agreed may be having
issues -*

*May be need
a little fac*

*a little extension
3 months - 19-04H
30 - HC-3*