

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/>

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

Sam Brownback, Governor

February 7, 2014

Grady Bolding Corporation
PO Box 486
Ellinwood, KS 67526-0486

Re: Schneweis 2
NE/4 Sec. 31-17S-11W
Barton County, Kansas
15-009-25724-00-00

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 Schneweis 2 well.

The original 365 days for closure expired on 08/11/2013. 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 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

KCC WICHITA

JAN 31 2014

RECEIVED

Grady Bolding Corporation
P.O. Box 486
Ellinwood, KS 67526-0486
(620) 564-2240 (office)
(620) 564-2765 (fax)

January 30, 2014

Kansas Corporation Commission
Conservation Division
Attn: Kathy Haynes
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802

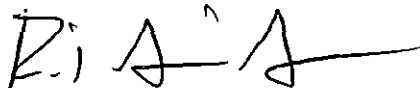
RE: Notice of Violation
API #15009257240000
Schneweis #2
E/2 W/2 NE, 31-17S-11W
Barton County, Kansas

Dear Ms. Haynes:

We received the above-referenced Notice last week regarding our failure to file a Closure of Surface Pit (CDP-4) within twelve (12) months of the spud date for a dry hole. Pursuant to our conversation last week, I am providing this letter as a written request of extension for the filing of the CDP-4 closure form. At this time, because of weather conditions and unwanted delays, the pit remains open and contains standing water. We still expect to close the pit in the next sixty (60) days and will keep you apprised of any developments.

Thank you for your patience during this process. Our sincerest apologies this has taken an extended amount of time to complete.

Sincerely,



R. Gavin Gunn, Esq.