Conservation Division Finney State Office Building 130 S. Morket, 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

March 5, 2014

Hess Oil Company PO Box 1009 McPherson, KS 67460

Re: Scully 1-26

NW/4 Sec. 26-18S-01E Marion County, Kansas 15-115-21434-00-00

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 Scully 1-26 well.

The original 365 days for closure expired on 10/08/2013. This extension will expire on 06/05/2014. 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 shall result in a monetary penalty in accordance with K.A.R. 82-3-602(a). An additional pit extension may be renewed upon request, but no pit permit extension shall be extended beyond six months after the original deadline.

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

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February 5, 2014

Bryan Hess Hess Oil Company PO BOX 1009 MCPHERSON, KS 67460 License No. 5663

NOTICE OF VIOLATION

Re:

API #15115214340000

Scully #1-26

SESENWNW, 26-18S-1E MARION County, Kansas **KCC WICHITA** MAR 04 2014 RECEIVED

Dear Operator,

Commission records indicate that you filed an Application for Surface Pit ("CDP-1") form for the referenced well along with your Intent to Drill. We have not received a Closure of Surface Pit ("CDP-4") form.

Commission records indicate that the referenced well was spudded more than 13 months ago. Under K.A.R. 82-3-602, drilling pits must be closed within 12 months after the spud date of the well. Further, an operator must submit a CDP-4 within 1 month after closing a pit.

If any drilling pits remain open, they must be closed. Since no CDP-4 is on file, you are in violation of K.A.R. 82-3-602(c).

> Failure to submit a complete, accurate CDP-4 for the pit or pits associated with the referenced well by March 5, 2014 shall be punishable by a \$100 per-well administrative penalty.

The information requested above must be submitted on KOLAR. Please contact me at (316) 337-6200 if you have any questions.

Sincerely,

KATHY HAYNES Environmental Protection & Remediation Department Not quite dryenough to finish closing. Please extend dead line. Bygan Han