

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

Sam Brownback, Governor

February 11, 2014

Chaco Energy Company
PO Box 1587
Denver, CO 80201-1587

Re: Smith #2-27
SE/4 Sec. 27-13S-32W
Logan County, Kansas
15-109-21145-00-00

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 Smith #2-27 well.


The original 365 days for closure expired on 11/25/2013. This extension will expire on 05/11/2014. 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

Kathy Haynes

From: Alan Nelson [chaco@swbell.net]
Sent: Monday, February 10, 2014 4:04 PM
To: Kathy Haynes
Subject: Smith 2-27 Violation Letters
Attachments: 2014_02_10_11_49_32.pdf

Kathy:

Pursuant to our discussion today, and that with Case Morris of your District office, please consider this our request for a 90-day extension (from 2-5-14) on the subject issues. We need to get beyond the freezing weather to properly dispose of pit fluids and close the pit.

Thank you for your consideration.

Alan Nelson

From: Kurt Nelson [<mailto:Kurt@chacoenergy.com>]
Sent: Monday, February 10, 2014 12:58 PM
To: Alan Nelson
Subject: KCC Smith 2-27