

Conservation Division
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Shari Feist Albrecht, Chair
Jay Scott Emler, Commissioner
Pat Apple, Commissioner

Sam Brownback, Governor

May 6, 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 additional 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 11/24/2013. This extension will expire 07/25/2014. **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

Kathy Haynes

From: Alan Nelson <chaco@swbell.net>
Sent: Tuesday, May 06, 2014 8:56 AM
To: Kathy Haynes
Subject: Smith #2-27 Pit Closure
Attachments: CCE05062014_0000.pdf

Kathy:

Please accept this as our request for an additional extension of time (30-60 days) for closure of the subject pit (first extension letter attached). The base of the pit is very sound and all drying must be through evaporation. We have hauled off all free liquids possible and worked the pit to improve evaporation. Thank you for your consideration.

Alan Nelson