Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 67202-1513



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Sam Brownback, Governor

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

January 20, 2015

McElvain Energy, Inc. 1050 17th St., Ste 2500 Denver, CO 80265-0914

Re: Schlegel 9 #3H

SW/4 Sec. 09-11S-22W Trego County, Kansas 15-195-22885-01-00

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 Schlegel 9 #3H well.

The original 365 days for closure expired on 08/17/2014. This extension will expire on 7/17/2015. 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, but not the time period for filing the waste transfer form (CDP-5).

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

McElvain Oil & Gas Properties, Inc. 1050 17th Street Suite 2500

DENVER, COLORADO 80265

JAMES M. MCKINNEY, JR.
SENIOR OPERATIONS ENGINEER
E-MAIL: JIM.MCKINNEY@MCELVAIN.COM

TELEPHONE 303/962-6480 (OFFICE) 720/227-4550 (MOBILE)

January 16, 2015

Ms. Kathy Haynes
Environmental Protection and Remediation Department
Kansas Corporation Commission
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802

RE: Request for Additional 6 Month Surface Pit Extension for the Schlegel 9 #3H Reserve Pit, API: 15-195-22885-01-00, Located in the S2S2SESW, 9-T11S-R22W, Trego County, Kansas.

Dear Ms. Haynes,

As you well know McElvain was granted a three month extension of time in which to close the Schlegel 9 #3H reserve pit expiring on 01/17/2015. We are requesting additional time – 6 months if possible, to meet the landowner's requirements for remediation of the pit. The procedure was finalized and approved by Mr. Schlegel on 01/16/2015. I have attached a copy of the process we intend to follow and anticipate starting this week. The process requires that the soils receive adequate sunlight and O_2 exposure and that is the reason for requesting the additional time. Please let me know if you require additional information.

Thank You for your time and consideration.

Sincerely,

Jim McKinney