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

February 25, 2015

J & K Crude, LLC PO Box 98 Tecumseh, KS 66542

Re: Hug 01

NW/4 Sec. 34-08S-15E Jackson County, Kansas 15-085-20087-00-00

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 Hug 01 well.

The original 365 days for closure expired on 11/13/2014. This extension will expire 5/13/2015. 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, but not the time period for filing the waste transfer form (CDP-5).

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

Roper a Hoffman

J & K CRUDE, LLC

P.O. BOX 98

TECUMSEH, KS.66542

OPERATOR: KEN WALKER/34949

#785-925-2582

2/25/15

RE: Pit disclosure extension

Kathy Haynes,

We are requesting an extension on Hug #1 well located in Jackson County, Kansas Sec. 34, T8, Range 15E (API # 15-085-20087-00-00). The reason we need an extension is that in 2014, we had a wet season in NE Kansas. The pit is made of Native clay soil, which holds rain water like a pond. We have been waiting for this to dry up, so we can fill in the pit.

Cordial

rason Pickerell, member