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

November 9, 2015

Lotus Operating Company, LLC 100 S. Main Ste 420 Wichita, KS 67202

Re: Achenbach B 1 NW/4 Sec. 11-35S-13W Barber County, Kansas 15-007-24230-00-00

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 Achenbach B 1 well.

The original 365 days for closure expired on 09/25/2015. This extension will expire on 2/06/2016. 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



100 S. MAIN, SUITE 420 WICHITA, KANSAS 67202 (316) 262-1077 FAX (316) 219-1217 thellman@lotusoperating.com

November 4, 2015

Ms. Kathy Haynes Kansas Corporation Commission 266 N. Main, Ste 220 Wichita, Kansas 67202-1513

RE: #1 Achenbach 'B' API # 15-107-24230 11-T35S-R13W Barber Co, KS KCC WICHITA

MIV 05 2015

RECEIVED

Dear Ms. Haynes,

The pits on the Achenbach 'B' lease are still wet but we have been crowding them throughout the year and have cut 'windows' in the side of the berms to allow more air flow. Baring no more extremely wet weather; I suspect we'll have them closed by year end.

Lotus Operating is asking for a 6 month extension on the pits to ensure we get them completely dry before they are finally closed. If weather permits, we'll close them shortly and a CDP-4 will follow immediately.

Thank you for your consideration on this matter.

Yours truly,

Tim Hellman

Lotus Operating Company, L.L.C.