



KANSAS CORPORATION COMMISSION 1032149
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____ - _____ - _____ - _____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?		_____	
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) _____ No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ well owner _____ electric log _____ KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY		Steel Pit	RFAC	RFAS
Date Received: _____	Permit Number: _____	Permit Date: _____	Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**HAUL-OFF PIT APPLICATION
FILING REQUIREMENTS**

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:
 Yes No If yes, written permission from the landowner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: Yes No If yes, written permission from the landowner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.

ASSIGNMENT OF OIL AND GAS LEASE

KNOWN ALL MEN BY THESE PRESENTS:

For and in consideration of the sum of One Dollar (\$1.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, CAPTIVA ENERGY, LLC, 445 Union Boulevard, Suite 208, Lakewood, CO 80228 sometimes hereinafter referred to as "Assignor," does hereby grant, sell, assign, transfer, convey and deliver unto the parties listed below, sometimes hereinafter referred to as "Assignee," its successors and assigns, in the proportion indicated below its right, title and interest in and to the oil and gas leases (the "Leases") situated in Pratt County, Kansas and set forth and described on Exhibit "A" attached hereto and made a part hereof; subject to the following terms, covenants, and conditions:

<u>ASSIGNEE</u>	<u>INTEREST</u>
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Caddis Resources, Inc. P.O. Box 219 Carbondale, CO 81623-0219	1.50% of 8/8ths
Andrew C. Weygant 434 S. Salsbury Street, #1E Lakewood, CO 80226	1.50% of 8/8ths
Max-Henry Operating, LLC 133 N. Glendale Wichita, KS 67208	7.50% of 8/8ths
Maple Properties, LLC 15216 W. Maple Ave. Golden, CO 80401	2.50% of 8/8ths
TOTAL INTEREST CONVEYED	
13.00% of 8/8ths	

1. The interests assigned hereby are subject to the lease royalties, overriding royalties, production payments, net profits obligations, carried working interests, and other payments out of or with respect to production which are of record and with which the Leases are encumbered as of the date of this Assignment.

2. This Assignment is made subject to all the terms and the express and implied covenants and conditions of the Leases and any intervening assignment(s) affecting same, to the extent of the rights hereby assigned, which terms, covenants and conditions the Assignee hereby assumes and agrees to perform with respect to the interests covered hereby. Said terms, covenants and conditions, insofar as the lease acreage is concerned, shall be binding on the Assignee, not only in favor of the lessors and any prior Assignors and their respective successors and assigns, but also in favor of the Assignor herein and its successors and assigns.

3. This Assignment is made without warranty of title either express or implied.

4. The terms, covenants and conditions hereof shall be binding upon, and shall inure to the benefit of Assignor and Assignee, and their respective successors and assigns, and such terms, covenants and conditions shall be covenants running with the land herein described and the interests herein assigned and with each transfer or assignment of said land, lease acreage or interests.



Register of Deeds Pratt County, Kansas

Sherry L. Henrich

Book: 367 Page: 625

Receipt #: 13480

Total Fees: \$15.00

Pages Recorded: 3

Date Recorded: 9/28/2009 10:15:00 AM

5. This Assignment is made subject to the terms of that certain AAPL 1989 Model Form Operating Agreement dated January 1, 2006.

TO HAVE AND TO HOLD said rights, titles, and interests unto the Assignee, its successors and assigns, subject to the terms, covenants and conditions hereinabove set forth.

EXECUTED this 10th day of September, 2009.

Assignor:

CAPTIVA ENERGY, LLC

By: *[Signature]*
George O. Mallon, III
Attorney-in-Fact

STATE OF COLORADO }

SS.}

COUNTY OF Jefferson }

Subscribed and sworn before me this 10th day of September, 2009, by George O. Mallon, III, Attorney-in-Fact for Captiva Energy, LLC.

Commission Expires: 8-20-2013

Address:

[Signature]
Notary Public:



My Commission Expires Feb. 20, 2013

EXHIBIT "A"

<u>LESSOR</u>	<u>DATE</u>	<u>RECORDED</u>	<u>DESCRIPTION OF LANDS AFFECTED</u>
Mable E. Davis, a widow	07/16/2009	366/417	<u>TOWNSHIP 29 SOUTH, RANGE 14 WEST, 6TH P.M.</u> Section 34: NW ¹ / ₄
Mable E. Davis, a widow	07/16/2009	366/415	<u>TOWNSHIP 29 SOUTH, RANGE 14 WEST, 6TH P.M.</u> Section 34: SW ¹ / ₄
William Charles Bergner, et ux	07/29/2006	324/340	<u>TOWNSHIP 29 SOUTH, RANGE 14 WEST, 6TH P.M.</u> Section 34: NE ¹ / ₄
John Frederick Bergner, a single man	07/29/2006	324/334	<u>TOWNSHIP 29 SOUTH, RANGE 14 WEST, 6TH P.M.</u> Section 34: NE ¹ / ₄
James Robert Bergner, et ux	07/29/2006	324/331	<u>TOWNSHIP 29 SOUTH, RANGE 14 WEST, 6TH P.M.</u> Section 34: NE ¹ / ₄
Thomas William Berger, et ux	07/29/2006	324/337	<u>TOWNSHIP 29 SOUTH, RANGE 14 WEST, 6TH P.M.</u> Section 34: NE ¹ / ₄
Wayne Faidley, et ux	10/27/2006	329/106	<u>TOWNSHIP 29 SOUTH, RANGE 14 WEST, 6TH P.M.</u> Section 34: SE ¹ / ₄
Kerry T. Cromer, et ux	01/18/2007	335/197	<u>TOWNSHIP 29 SOUTH, RANGE 13 WEST, 6TH P.M.</u> Section 9: SE ¹ / ₄ EXCEPTING a tract of land described as beginning at the East Quarter Corner of said section Nine, thence West a distance of 570 feet along the half section line of said section, thence South parallel to East line of the section, a distance of 1,210 feet; thence East parallel to the half section line, a distance of 570 feet to the East line of said section, thence North along the East line of the section a distance of 1,210 feet to the point of beginning, containing an area of 15.83 acres, more or less
Cromer Livestock, Inc.	01/18/2007	335/185	<u>TOWNSHIP 29 SOUTH, RANGE 13 WEST, 6TH P.M.</u> Section 9: W ¹ / ₂ NE ¹ / ₄

MEMORANDUM OF AGREEMENT

THIS **MEMORANDUM OF** _____ is made and entered into this 13TH day of October, 2009(by and between **CAPTIVA ENERGY, LLC**, hereinafter referred to as "Cap'l:i.va", and **MABLE E. DAVIS**, hereinafter referred to as "Davis".

WITNESSETH:

WHEREAS, Captiva is an operator of oil and gas leases in the Pratt County and;

WHEREAS, Davis is the owner of the Northwest Quarter (NW/4) of Section 34, Township 29 South, Range 14 West of 6th P.M., Pratt County, Kansas;

WHEREAS, Captiva has heretofore drilled an oil and/or gas well located on the Davis property more particularly described above; and

WHEREAS, Captiva is the owner of an oil and gas lease covering the Southeast Quarter (SE/4) of Section 9/ Township 29 South, Range 13 West of 6th P.M., Pratt County, Kansas; and

WHEREAS, the Kansas Corporation Commission has requested that Captiva use steel pits on the drilling of the oil and gas well on the Southeast Quarter (SE/4) of Section 9, Township 29 South, Range 13 West of 6th P.M., Pratt County, Kansas, said lease being referred to as the Cromer Lease; and

WHEREAS, Captiva would like to dispose of all rock cuttings from the Cromer well into the reserve pit previously excavated by Captiva on the Davis property; and

WHEREAS, the parties desire to place their agreement in writing to avoid future misunderstandings.

NOW, THEREFORE, in consideration of the mutual covenants, stipulations and agreements hereinafter contained, the parties agree as follows:

1. In consideration of the payment of \$500.00, Mable E. Davis hereby agrees to allow Captiva Energy, LLC to dispose of all rock cuttings from the Kerry Cromer well located on the Southeast Quarter (SE/4) of Section 9, Township 29 South, Range 13 West of 6th P.M., Pratt County, Kansas, into the reserve pits

Memorandum of Agreement

previously drilled by Captiva on the Davis property located in the Northwest Quarter (NW/4) of Section 34, Township 29 South, Range 14 West of 6th P.M., Pratt County, Kansas.

2. The parties stipulate, covenant and agree that Captiva shall comply with any and all rules and regulations promulgated by the Kansas Corporation Commission in disposing of said rock cuttings in the reserve pits located on the Davis property.

3. The parties further covenant and agree this Memorandum of Agreement shall extend to and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

This Agreement may be executed in any number of counterparts with the same force and effect as *if* there were only one single instrument. Failure of any party hereto to execute this Agreement shall not render *it* ineffective as to any part which does execute the same. If counterparts of this Agreement are executed, the signatures and acknowledgments of the parties as affixed thereto may be combined by Captiva, and treated and given effect for all purposes as a single instrument.

IN WITNESS WHEREOF, the parties hereto have set their hand the day and year first above written.

"Captiva"

"Davis"

Captiva Energy, LLC

By: _____
George O. Mallon, III,
Attorney-In-Fact

By: Mable E. Davis
Mable E. Davis

Memorandum of Agreement

STATE OF COLORADO)
COUNTY OF JEFFERSON) ss:

BE **IT REMEMBERED**, that on this _____ day of October, 2009, before me, the undersigned, a Notary Public, in and for the County and state aforesaid, personally appeared George O. Mallon, III, known to me to be the person who executed the foregoing instrument as Attorney-In-Fact for Captiva Energy, LLC, and such person duly acknowledged to me the execution of the same for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above-written.

Notary Public

My Commission Expires:

STATE OF Kansas)
OF BE NO » ss:

BE **IT REMEMBERED**, that on this 13th day of October, 2009, before me, the undersigned, a Notary Public, in and for the County and State aforesaid, personally appeared **Mable E. Davis**, known to me to be the person who executed the foregoing instrument of writing and such person duly acknowledged to me the execution of the same for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above-written.

Notary Public *Jeffrey R. Zoller*

My Commission Expires: 12-02-2009

 State of Kansas -Notary Public
• Jeffrey R. Zoller
My Commission Expires 12-02-2009



*Mark Parkinson, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

October 15, 2009

Chris Gottschalk
Shelby Resources LLC
P.O. Box 1213
Hays, KS67601

Re: Drilling Pit Application
Cromer 1-9
Sec.34-29S-14W
Pratt County, Kansas

Dear Chris Gottschalk:

District staff has inspected the above referenced location and has determined that the Haul-Off pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the Haul-Off pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the Haul-Off pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

NO completion fluids or non-exempt wastes shall be placed in the Haul-Off pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through SOLAR within 30 days of fluid removal.

If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>