



For KCC Use:  
 Effective Date: \_\_\_\_\_  
 District # \_\_\_\_\_  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION 1050241  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 March 2010

Form must be Typed  
 Form must be Signed  
 All blanks must be Filled

**NOTICE OF INTENT TO DRILL**

*Must be approved by KCC five (5) days prior to commencing well*

*Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.*

Expected Spud Date: \_\_\_\_\_  
month day year

OPERATOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Address 1: \_\_\_\_\_  
 Address 2: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Phone: \_\_\_\_\_

CONTRACTOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_

<b>Well Drilled For:</b>	<b>Well Class:</b>	<b>Type Equipment:</b>
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable
<input type="checkbox"/> If OWWO: old well information as follows:		

Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No  
 If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

Spot Description: \_\_\_\_\_  
 \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W  
(Q/Q/Q/Q) \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?  
 (Note: Locate well on the Section Plat on reverse side)

County: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

Field Name: \_\_\_\_\_  
 Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): \_\_\_\_\_  
 Nearest Lease or unit boundary line (in footage): \_\_\_\_\_

Ground Surface Elevation: \_\_\_\_\_ feet MSL

Water well within one-quarter mile:  Yes  No

Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: \_\_\_\_\_

Depth to bottom of usable water: \_\_\_\_\_

Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: \_\_\_\_\_

Length of Conductor Pipe (if any): \_\_\_\_\_

Projected Total Depth: \_\_\_\_\_

Formation at Total Depth: \_\_\_\_\_

Water Source for Drilling Operations:  
 Well  Farm Pond  Other: \_\_\_\_\_

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No

If Yes, proposed zone: \_\_\_\_\_

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

**Submitted Electronically**

<p><b>For KCC Use ONLY</b></p> <p>API # 15 - _____</p> <p>Conductor pipe required _____ feet</p> <p>Minimum surface pipe required _____ feet per ALT. <input type="checkbox"/> I <input type="checkbox"/> II</p> <p>Approved by: _____</p> <p><b>This authorization expires:</b> _____  <small>(This authorization void if drilling not started within 12 months of approval date.)</small></p> <p>Spud date: _____ Agent: _____</p>
--

**Remember to:**

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

**Well will not be drilled or Permit Expired** Date: \_\_\_\_\_  
 Signature of Operator or Agent: \_\_\_\_\_

E  
 W



1050241

**For KCC Use ONLY**

API # 15 - \_\_\_\_\_

### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: \_\_\_\_\_

Lease: \_\_\_\_\_

Well Number: \_\_\_\_\_

Field: \_\_\_\_\_

Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: \_\_\_\_\_

\_\_\_\_\_ feet from  N /  S Line of Section

\_\_\_\_\_ feet from  E /  W Line of Section

Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W

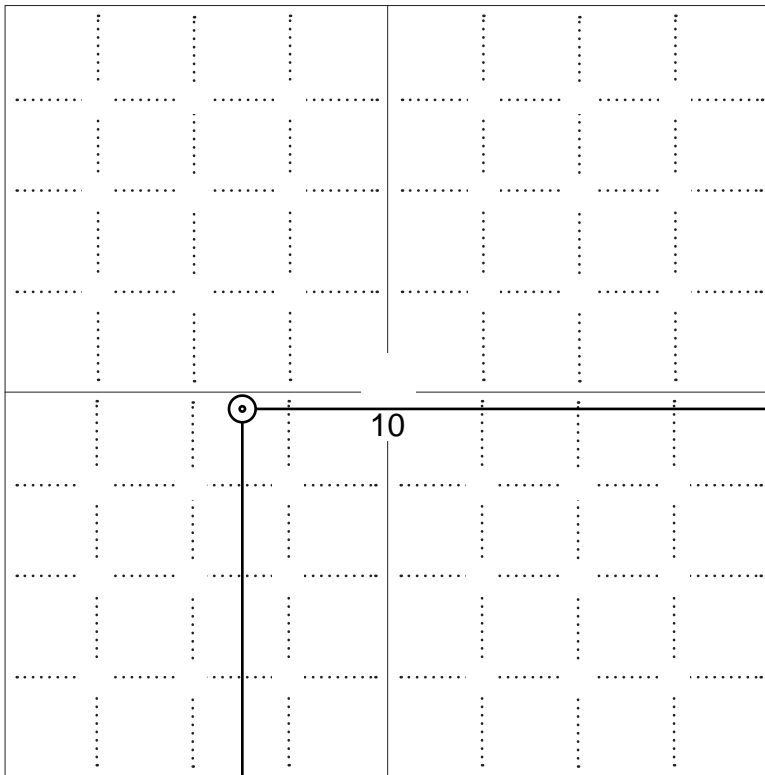
Is Section:  Regular or  Irregular

**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

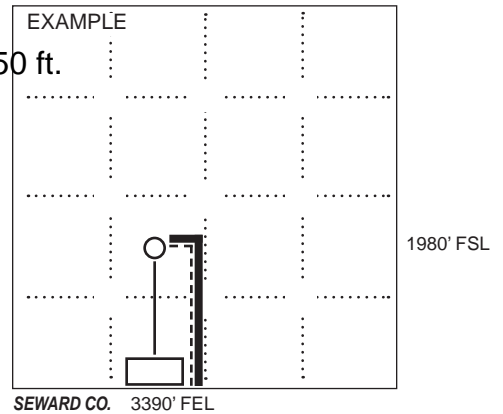
### PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



**LEGEND**

- Well Location
- Tank Battery Location
- Pipeline Location
- - - - Electric Line Location
- Lease Road Location



**NOTE: In all cases locate the spot of the proposed drilling locaton.**

2520 ft.

**In plotting the proposed location of the well, you must show:**

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION 1050241  
OIL & GAS CONSERVATION DIVISION

Form CDP-1  
May 2010  
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) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> 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: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> 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.	
<p><b>Submitted Electronically</b></p>			

**KCC OFFICE USE ONLY**

Liner     Steel Pit     RFAC     RFAS

Date Received: \_\_\_\_\_ Permit Number: \_\_\_\_\_ Permit Date: \_\_\_\_\_ Lease Inspection:     Yes     No



# CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

*This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.*

Select the corresponding form being filed:  C-1 (Intent)  CB-1 (Cathodic Protection Borehole Intent)  T-1 (Transfer)  CP-1 (Plugging Application)

OPERATOR: License # \_\_\_\_\_  
Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: ( \_\_\_\_\_ ) \_\_\_\_\_ Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: \_\_\_\_\_

Well Location:  
\_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Sec. \_\_\_\_ Twp. \_\_\_\_ S. R. \_\_\_\_  East  West  
County: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

*If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:*

### Surface Owner Information:

Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

*When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.*

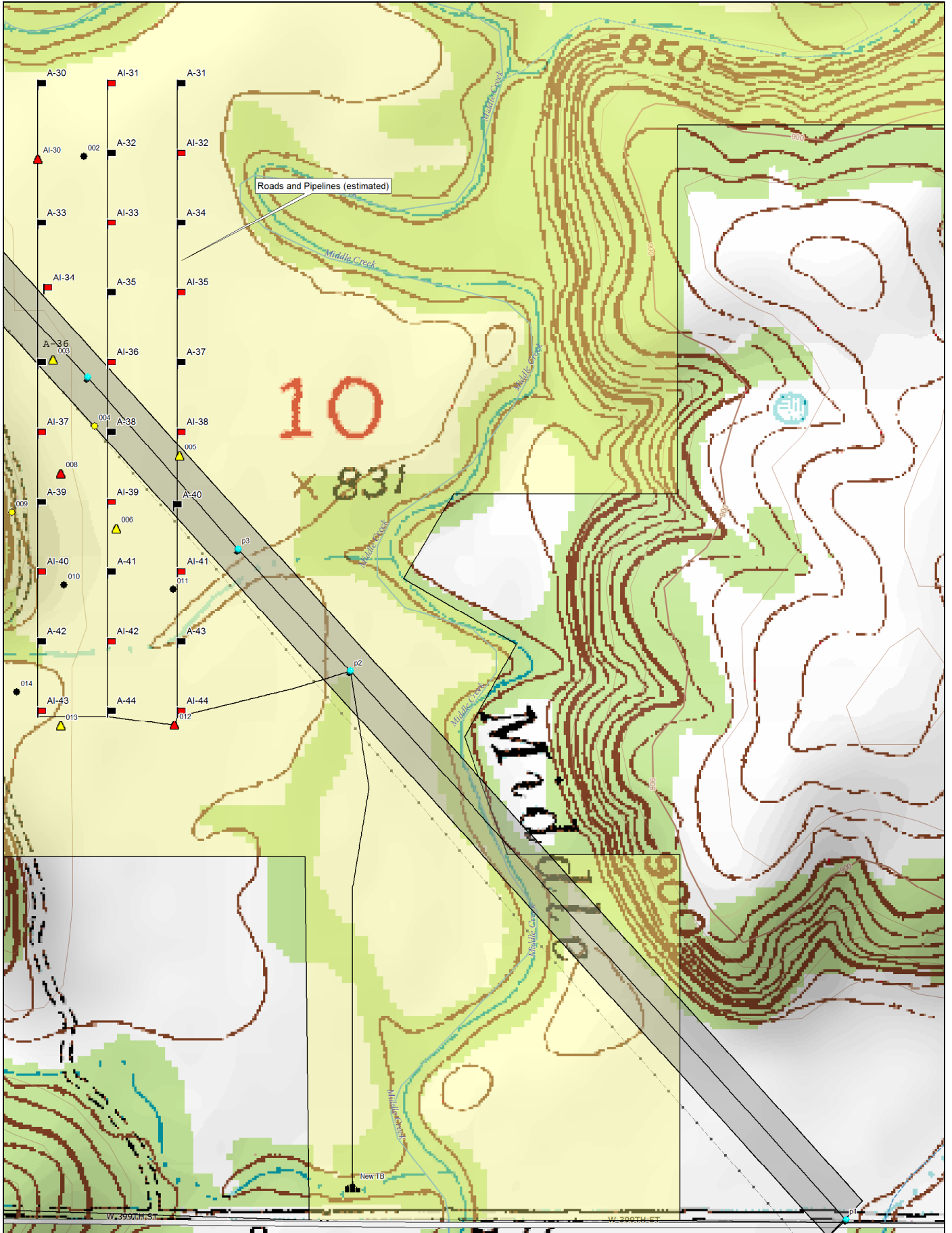
*If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.*

### Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

*If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.*

I Submitted Electronically



# OIL AND GAS LEASE

AGREEMENT Made and entered into the 27th day of April, 1966

by and between Howard L. Middaugh and Fern M. Middaugh, husband and wife; Walter E. Binkley and Jeannine Binkley, husband and wife; Ivan Karr and Mary Karr, husband and wife,

of \_\_\_\_\_ Party of the first part, hereafter called lessor (whether one or more) and Robert A. Mason party of the second part, lessee.

WITNESSETH, That the said lessor, for and in consideration of Ten (\$10.00) DOLLARS cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, pumps, stations and structures thereon to produce, save and take care of said product, all that certain tract of land situated in the County of Miami State of Kansas described as follows, to-wit:

West Half of the Northwest Quarter of Section 10, Township 19, Range 24, containing 80 acres, more or less;

All that part of the West Half of the Northeast Quarter of the Northwest Quarter of Section 10, Township 19 South, Range 24 East, lying south of Middle Creek, containing 8 acres, more or less;

The Northwest Quarter of the Southeast Quarter of Section 3, and the Southwest Quarter of the Southeast Quarter of Section 3, and the South Half of the Southwest Quarter of Section 3, all in Township 19, Range 24;

All of the North Half of the Southwest Quarter, and the South Half of the Northwest Quarter, all in Section 3; also the Southeast Quarter of the Northeast Quarter of Section 4, all in Township 19, Range 24, containing 200 acres, more or less;

Commencing at the Northeast corner of the Southwest Quarter of the Northeast Quarter of Section 4, Township 19, Range 24, running thence South along the Quarter Section line 36 rods; thence West 20 rods parallel with the half section line; thence in a Northerly direction 36 rods, more or less, to the center of the channel of Middle Creek, and to the Quarter Section line; thence East along the Quarter Section line 20 rods, more or less, to the place of beginning, containing 4 1/2 acres, more or less; Also beginning 36 rods South of the Northeast corner of the Southwest Quarter of the Northeast Quarter of said Section 4, being at the Southeast corner of the tract above described, running thence South along the Quarter Section line 44 rods, more or less, to the half Section line, thence West along the Half Section line 20 rods to a stone; thence in a northerly direction 44 rods, more or less, to the Southwest corner of the tract first above described; thence East 20 rods, more or less, along the South line of the tract first above described to the place of beginning, containing 5 1/2 acres, more or less;

Southeast Quarter of the Northwest Quarter; also the Southwest Quarter of the Northeast Quarter of Section 10, Township 19, Range 24;

The North Half of the Southwest Quarter of Section 10, Township 19 South, Range 24;

That part of the West Half of the Northeast Quarter of the Northwest Quarter of Section 10, Township 19, Range 24, lying North of Middle Creek, all in Miami County, Kansas, and containing 12 acres, more or less;

lessor to so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payment of said rental.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

The additional provisions contained in Exhibit "A" attached are incorporated herein.

In Testimony Whereof We Sign, this the 27th day of April, 1966

Assigned No.	216	Page	201
"	226	"	153
"	231	"	344
"	251	"	71, 75-79
"	259	"	228
"	263	"	Page 162

Howard L. Middaugh (SEAL)  
Fern M. Middaugh (SEAL)  
Walter E. Binkley (SEAL)  
Jeannine Binkley (SEAL)  
Ivan Karr (SEAL)  
Mary Karr (SEAL)

containing 260 acres.

Section 19 S Range 24 R and containing 630 acres, more or less ending May 1, 1967.

It is agreed that this lease shall remain in force for a term of 30 years from this date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe-line to which lessee may connect his wells, or other conveyance, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor as royalty one-eighth of the proceeds from the sale of gas from each well where gas only is found, for all gas used off the premises, and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by lessor making own connections with the well at lessor's own risk and expense.

3rd. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gas, one-eighth (1/8) of the proceeds at the prevailing market rate for the gas used, for the time during which such gas shall be used, said payments to be made Quarterly.

If no well be commenced on said land on or before the 1st day of May, 1967, this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the

lessor's credit in the Bank at \_\_\_\_\_ DOLLARS, which shall operate as a rental and cover the privilege of deferring the commencement of a well for \_\_\_\_\_ months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for a like period of the same number of months successively. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted to the date when said first rental is payable, as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if the second well is not commenced on said land within \_\_\_\_\_ months from the expiration of the last rental period which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said \_\_\_\_\_ months shall resume the payment of rentals in the same amount and in the same manner or hereinbefore provided. And it is agreed that upon the resumption of payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operations thereon, except water from wells ~~or ponds~~ or ponds of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of ~~rentals or royalties~~ shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof, and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rental due from him or them, such default shall not operate by default or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payment of said rental.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

The additional provisions contained in Exhibit "A" attached are incorporated herein.

In Testimony Whereof We Sign, this the 27th day of April, 1966.

Witness  
ASSIGNED VOL. 216 PAGE 201  
" " 226 " 153  
" " 231 " 344  
" " 231 " 76, 75-79  
" " 259 " 228  
" " 263 Pg 162

David L. Middaugh (SEAL)  
Howard L. Middaugh (SEAL)  
Edna M. Middaugh (SEAL)  
Walter E. Binkley (SEAL)  
Jeannine Binkley (SEAL)  
Iva Kay (SEAL)  
Mary Kay (SEAL)

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ACKNOWLEDGMENT

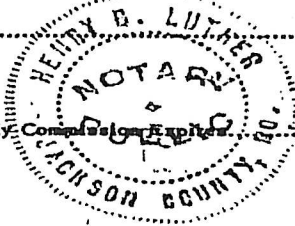
State of Missouri  
County of Clay } as.

On this 24th day of August, 1973, before me, a Notary Public,  
personally appeared Walter E. Binkley and Jeannine Binkley  
Fern M. Middaugh and

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN TESTIMONY WHEREOF, I have unto set my hand and affixed my official seal at my office in

My Commission Expires July 31, 1977



....., the day and year last above written.  
Notary Public Henry B. Luther  
County of Jackson State of Missouri

EASEMENT CONVEYANCE

FROM Walter Binkley and Jeannine Binkley  
Fern M. Middaugh

TO-KANSAS CITY POWER & LIGHT COMPANY  
1330 Baltimore, Kansas City, Missouri

Address.....  
Section 10 Twp. 19 Range 24

County of Franklin 264

Filed for record this 28 day

of August A.D., 1973

at 12 o'clock 42 minutes PM

Recorded in Book 242 at Page 191

By Walter M. Darnell  
Recorder

Deputy

Recorder's Fee, \$ 4.00

84679-K.C. No 64141



Conservation Division  
Finney State Office Building  
130 S. Market, Rm. 2078  
Wichita, KS 67202-3802



phone: 316-337-6200  
fax: 316-337-6211  
<http://kcc.ks.gov/>

Thomas E. Wright, Chairman  
Ward Loyd, Commissioner

Corporation Commission

Sam Brownback, Governor

February 03, 2011

Phil Frick  
Altavista Energy, Inc.  
4595 K-33 Highway  
PO BOX 128  
WELLSVILLE, KS 66092

Re: Drilling Pit Application  
API 15-121-28831-00-00  
Middaugh A-39  
SW/4 Sec.10-19S-24E  
Miami County, Kansas

Dear Phil Frick:

District staff has inspected the above referenced location and has determined that the reserve 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 reserve pit as soon as practical after drilling operations have ceased.

**If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 432-2300 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

**A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.** If you have any questions or concerns please feel free to contact the District Office at (620) 432-2300.