

KANSAS CORPORATION COMMISSION 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: _ - ____ - ____ - ____ Pit is: **Emergency Pit** Burn Pit Proposed Existing Sec.____Twp.____R.___ East West Settling Pit **Drilling Pit** If Existing, date constructed: Feet from North / South Line of Section Haul-Off Pit Workover Pit ____Feet from ___ East / ___ West Line of Section Pit capacity: (If WP Supply API No. or Year Drilled) County _(bbls) Is the pit located in a Sensitive Ground Water Area? Yes No Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) Is the bottom below ground level? Artificial Liner? How is the pit lined if a plastic liner is not used? Yes Yes No No ____Length (feet) ___ _____Width (feet) Pit dimensions (all but working pits): 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 Describe procedures for periodic maintenance and determining material, thickness and installation procedure. liner integrity, including any special monitoring. Depth to shallowest fresh water ____ Distance to nearest water well within one-mile of pit: feet. Source of information: KDWR measured well owner electric log _feet Depth of water well ____ __ feet Emergency, Settling and Burn Pits ONLY: Drilling, Workover and Haul-Off Pits ONLY: Producing Formation: _ Type of material utilized in drilling/workover: Number of producing wells on lease: _____ Number of working pits to be utilized: ____ Barrels of fluid produced daily: Abandonment procedure: Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill pits must be closed within 365 days of spud date. Submitted Electronically KCC OFFICE USE ONLY Steel Pit Liner RFAC RFAS Permit Number: No Date Received: Permit Date: Lease Inspection: Yes

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Kansas Corporation Commission Oil & Gas Conservation Division

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.

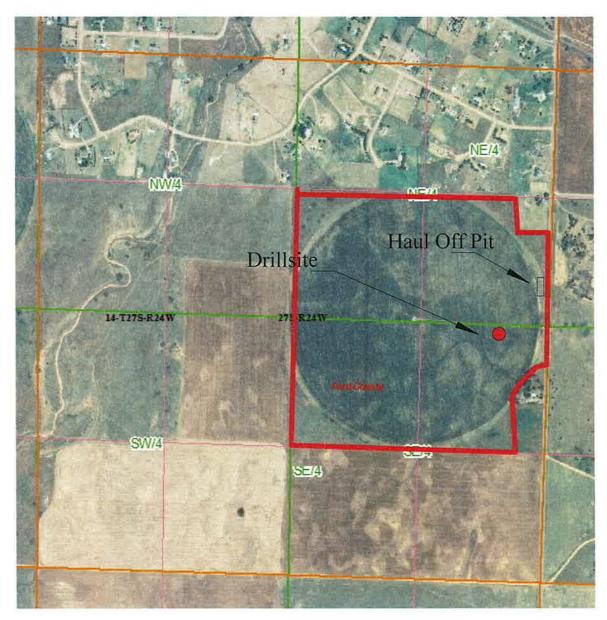
Complete and return with Haul-Off Pit Application, Form CDP1(2004)

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

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:

 \Box Yes \Box No If yes, written permission from the land owner 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: \Box Yes \Box No If yes, written permission from the land owner 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.



Vincent Oil Corporation Schneweis #1-14 Haul Off Pit Application Schneweis Lease 154 Acre Base Lease Located in S/2-NE & N/2-SE 14-27-24W



LL88-1 Form 88 (producers) Rev. 1-83 (Paid-up) Kans, - Okia, - Colo

OIL AND GAS LEASE

© 1983 David Carter Company

THIS AGREEMENT, Entered into this	11
between Bobert E. Schneweis and Ema M. Schneweis, his wife	
10895. Quaker Rd.	*******
Dodge_City, Ks. 67801	******
and Vincent Oil Compration 155 N Market #200 Vischitz Via (7000	ed lessor,
I had lassed for and in consideration of the	witness:
to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other evolution with the real and a set of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other evolution and gas drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their evolution of the real and gasoline and their respective or laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operatio land for construction and electrical lines and other structures thereon necessary or convenient for the economical operation and the care of, and manufacture all of such substances and the interface set the economical operation.	xclusivaly eases as fing core instituent
into the subsurface strate, said tract of land being situated in the County of Fond	ostances

and described as follows:

See Description attached

154 containing ... two (2)

2. This lease shall remain in force for a term of _______ two (2) casinghead gasoline or any of the products covered by this lease is or can be produced. ..years (celled "primary term") and as long thereafter as cil, gas, casinghead gas,

3. The lesses shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil pro-duced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sele of gas, gas condensate, gas distillate, casinghead not sold by the lessee, lessee may pay or tender annuality at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of eas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.

6. In the event said lessor owns a less interest in the above described lend than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

to lessor, or his neirs, or his or their grantee, this lease shall cover such reversion. 7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing walls of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be dril-led nearer than 200 fast to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expira-tion of this lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. 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 the heirs, de-obligations or diministrators, successors, and assigns, but no change or division in ownership of the land, or revalues, however accomplished, shall operate to enlarge the to enlarge the table to the heirs, de-obligations or diministrators, successors, and assigns, but no change or division in ownership of the land, or revalues, however accomplished, shall operate to enlarge the has been lumished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonatheless be developed and operated as one lease, and all royatizes accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devises, descent or otherwise, or to furnish separate measuring or receiving tanks.

Were by sale, cansed, bescent or otherwise, or to turnish separate measuring or receiving tanks.
10. Lessor hereby warrants and agrees to defend the tille to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any hole or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any hole or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights.
11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate it lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is any other well thereafter commenced, with no cessition of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or malling such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shell cases and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any ing the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall order is suspended.

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lesse, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as unit or units not exceeding 840 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governental Survey entire acreage so pooled into a unit or units shall be treated for electric distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royables on production irom the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered duction from the unit so pooled only such portion of the royably stipulated herein as the amount of his net royably interest therein on an acreage basis bears to the total mini-areage so pooled in the particular unit shall be and constitute a well hereunder. In lieu of the royables elsewhere herein specified lessor shall receive on pro-eral acreage so pooled in the particular unit involved.

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15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee

Rider and Lease Description attached hereto.

IN WITNESS WHEREOF, we sign the day and year first above written.

m Dc. K u

Erma M. Schneweis

Robert E. Schneweis

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Township 27 South-Range 24 West

Section 14: S/2NE/4 & N/2SE/4

EXCEPT:

THAT PART OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 27 SOUTH, RANGE 24 WEST OF THE 6TH PRINCIPAL MERIDIAN, FORD COUNTY, KANSAS DESCRIBED AS FOLLOWS:

Beginning at the Northeast Corner of the South half of said Northeast Quarter as established by Deputy County Surveyor Luther Thomas in 1929; thence on the Las Brisas Estates Subdivision bearing of South 1 degree 30 minutes 04 seconds West, along the East line of said Quarter as per said 1929 Survey, for a distance of 361.50 feet to a 3/4' pipe with L.S. 1053 Survey Cap; thence North 88 degrees 11 minutes 04 seconds West for a distance of 361.50 feet to a 3/4' pipe with L.S. 1053 Survey Cap; thence North 1 degree 30 minutes 04 seconds East for a distance of 361.50 feet to a 3/4" pipe with an L.S. 1053 Survey cap on the 1929 Survey North line of the South half of said Northeast Quarter and the South line of Las Brisas Estates Subdivision, thence South 88 degrees 11 minutes 04 seconds East, along said line for a distance of 361.50 feet to the Point of beginning.

AND EXCEPT:

THAT PART OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 27 SOUTH, RANGE 24 WEST OF THE 6TH PRINCIPAL MERIDIAN, FORD COUNTY, KANSAS DESCRIBED AS FOLLOWS:

Beginning at the Southeast corner of the North half of said Southeast Quarter as established by Deputy County Surveyor Luther Thomas in 1929;

thence North 88°23'06" West on the same bearing basis as Las Brisas Estates Subdivision, along the South line of said North half as per said 1929 Survey, for a distance of 427.10 feet to a 3/4" pipe with an L.S. 1053 survey cap;

thence North 1°36'54" East for a distance of 352.85 feet to a 3/4" pipe with L.S. 1053 Survey Cap; thence North 26°46'11" East for a distance of 220.10 feet to a 3/4" pipe with L.S. 1053

Survey Cap; then North 35°31'48" East for a distance of 467.10 feet to a 3/4" pipe with L.S. 1053 Survey Cap; thence North 79°28'11" East for a distance of 72.65 feet to a 3/4" pipe with L.S. 1053 Survey Cap on the East line of the North half of said Southeast Quarter as per said 1929 Survey; thence South 1°30'04" West, along said East line, for a distance of 954.99 feet to the Point of Beginning.

Erma m. Schuwi

Enna M. Schneweis

Robert E. Schneweis

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

Mark Sievers, Chairman Ward Loyd, Commissioner Thomas E. Wright, Commissioner



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

Sam Brownback, Governor

May 07, 2012

M.L. Korphage Vincent Oil Corporation 155 N MARKET STE 700 WICHITA, KS 67202-1821

Re: Drilling Pit Application Schneweis 1-14 Sec.14-27S-24W Ford County, Kansas

Dear M.L. Korphage:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the Haul-Off pit be lined with bentonite or native clay, constructed <u>without slots</u>, 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 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 KOLAR 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.