

KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION**

1088886 Form must be Typed

Form CDP-1 May 2010

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		SecTwp R
Settling Pit Drilling Pit	If Existing, date constructed:		Feet from North / South Line of Section
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from East / West Line of Section
		(bbls)	County
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 No		
Pit dimensions (all but working pits):Length (feet)			
Depth from ground level to deepest point:			
			icluding any special monitoring.
Distance to nearest water well within one-mile of pit:		Depth to shallowest fresh water feet. Source of information:	
feet Depth of water wellfeet		measured well owner electric log KDWR	
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			
Date Received: Permit Num	ber:	Permi	t Date: Lease Inspection: Yes No

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.

WOOLSEY OPERATING COMPANY, LLC 1966 SE Rodeo Dr. Rd. P.O. Box 168 Medicine Lodge, KS 67104-1240 Telephone (620) 886-5606

June 28, 2012

Ms. Mary Kostner Kramer, Trustee Mr. & Mrs. Galen Moore, Trustees % Mr. Mark Kostner 9590 SE 50th Murdock, Kansas 67111

Re: Kostner B-2 Off-Site Pit Location/Authorization Kingman County, KS <u>Township 28 South, Range 6 West</u> Section 26: SE/4SE/4

Dear Addressees,

Pursuant to my meeting with Mr. Mark Kostner held on June 27, 2012 at the referenced tract of land, Woolsey Operating Company, LLC proposes the use of the referenced tract of land as a location for an off-site reserve pit for the Kostner B-2 well that is scheduled to be drilled at a legal location in the SW/4SW/4 of Section 25-T28S-R6W, Kingman County, Kansas.

Because of the high water table at the well location it becomes necessary, pursuant to State of Kansas regulations, to locate the reserve pit for the well at an approved spot that does not encounter the high water table.

With this in mind, please review the below terms and conditions and, should this letter agreement meet with your approval, please sign where indicated and return the original agreement to me at your earliest convenience.

1. The reserve pit for the Woolsey Operating Company, LLC Kostner B-2 well will be located at a mutually agreed upon location within the below tract situated in Kingman County, Kansas, to-wit:

Township 28 South, Range 6 West Section 26: SE/4SE/4

2. Woolsey Operating Company, LLC agrees to restore the surface to its original condition as nearly as is practicable as soon as the reserve pit is completely dry

and can be filled in prudently. When digging and preparing the reserve pit, top soil will be stacked apart from other soil and then returned to the surface of the pit area once the pit has been sufficiently dried and prepared for fill in.

3. As consideration for the authority granted to utilize this tract of land for reserve pit use, Woolsey Operating Company, LLC agrees to pay the surface owners the sum total of \$1,500.00 for their proportionate interest in the surface.

Please indicate your acceptance of the above provisions and this letter agreement by signing below where indicated.

Respectfully,

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Joel A. Taylor Landman

AGREED TO AND ACCEPTED this 13th day of July, 2012.

The Kathy J. Moore Revocable Trust U/A dated September 16, 2009

Opre Kathy J. Møore, Trustee

Galen Moore, Trustee

The Mary Kostner Kramer Revocable Living Trust dated June 13, 2005

Mary Kostner Knamer, Trustee



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

Mark Sievers, Chairman Thomas E. Wright, Commissioner Sam Brownback, Governor

August 01, 2012

CARL W. DURR Woolsey Operating Company, LLC 125 N MARKET STE 1000 WICHITA, KS 67202-1729

Re: Drilling Pit Application KOSTNER GU B 2 Sec.26-28S-06W Kingman County, Kansas

Dear CARL W. DURR:

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 **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 within 1 week 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 (316) 630-4000 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 (316) 630-4000.