

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form CDP-1 Form must be Typed

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: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit | Pit is: Proposed Existing If Existing, date constructed: | | SecTwpR | | | |
| (If WP Supply API No. or Year Drilled) | Pit capacity:(bbls) | | County | | | |
| Is the pit located in a Sensitive Ground Water A | , , | | 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? | | | |
| Pit dimensions (all but working pits): | Length (feet) | | Width (feet) N/A: Steel Pits | | | |
| Depth fro | om ground level to dee | epest point: | (feet) No Pit | | | |
| material, thickness and installation procedure. | | iller integrity, il | ncluding 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? | | Drill pits must be closed within 365 days of spud date. | | | | |
| Submitted Electronically | | | | | | |
| KCC OFFICE USE ONLY Liner Steel Pit RFAC RFAS | | | | | | |
| Date Received: Permit Numl | ber: | Permi | it Date: Lease Inspection: Yes No | | | |

Kansas Corporation Commission Oil & Gas Conservation Division

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

| 82-3-607. | DISDOSVI | VE DIKE | VND | PIT CONTENTS. | |
|-----------|----------|---------|-----|---------------|--|
| 0Z-J-DU/. | DISPUSAL | OF DIVE | ANU | PII 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: \square Yes \square No |
|--|
| Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: \square Yes \square No If yes, written permission from the land owner must be obtained. Attach writter 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: \square Yes \square No If yes, written permission from the land owner must be obtained. Attack 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. |

N-10 EXPLORATION, LLC

P.O. Box 195

Attica, Kansas 67009

Phone: 620-254-7251 ~ Fax: 620-254-7281

Email: rboil@sutv.com

December 7, 2012

Medicine River Ranch Operating Company, LLC Attn: Harry Dawson 3251 NW Willow Rd. Medicine Lodge, KS 67104

Dear Mr. Dawson:

This letter is to acknowledge that Medicine River Ranch Operating Company, LLC, does hereby grant N-10 Exploration, LLC, permission to utilize the Medicine River Ranch D8's pit (API # 15-007-23967-00-00), which is located in the W/2 SE SE NE of Sec. 10-34S-11W, Barber County, Kansas, as an on-site haul-off pit for N-10 Exploration, LLC's drilling operation of the Medicine River Ranch D9, which has a spot location of approximately W/2 SE NE NE of Sec. 10-34S-11W, Barber County, Kansas (API # will be assigned at a later date). N-10 Exploration, LLC shall be responsible for the closing of said pit.

Please sign and return as soon as possible so that we may forward on to the state.

Sincerely,

Jane Swingle

Medicine River Ranch Operating Company, LLC

Harry Dawson, Manager

Date

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/

Sam Brownback, Governor

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner

December 19, 2012

Randy Newberry N-10 Exploration, LLC 124 N MAIN PO BOX 195 ATTICA, KS 67009

Re: Drilling Pit Application Medicine River Ranch D9 Sec.10-34S-11W Barber County, Kansas

Dear Randy Newberry:

District staff has inspected the above referenced location and has determined that the Haul-Off pit shall be 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 within 96 hours 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.