



KANSAS CORPORATION COMMISSION 1151278
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	
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.	
<p>Submitted Electronically</p>			

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes No

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: 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 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: Yes 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.



Jesse R. Middagh
Manager – Operations & Production
815-556-0756 | jesse@loeboil.com

LETTER AGREEMENT – RESERVE PIT PERMISSION

July 5, 2013

RE: Landowner Permission for locating off lease reserve pit for drilling operations

This letter agreement establishes the permission granted by the landowner associated with a Held By Production (HBP) lease for the expressed purposes of constructing a temporary drilling mud reserve pit. Herman L. Loeb LLC, operator for the Carr lease, located in N/2 SW/4 Section 27 T21S-R16W, requests the rights to construct a reserve pit of approximately 120 ft x 120 ft on said property for the purpose of holding drilling mud associated with planned operations of the Musselman 5-34 well approximately 1.3 miles south. The pit will be used to store drilling mud from not more than 1 off lease well operation.

The proposed Carr Reserve Pit will be managed by evaporation, backfill, and resurface activity as soon as conditions present themselves. Fluids will be pumped off through the Hutchinson zone during drilling and disposed in a HLL operated disposal well.

In exchange for permission granted, Loeb shall pay the landowner a surface use fee of \$.5,000. in addition to any actual crop damages during operations.

Landowner: Larry Carr
PO Box 180
Larned, KS 67550

 | 7/8/13
Signed Dated

Operator: Herman L. Loeb LLC
Jesse R. Middagh; Operations Mgr
PO Box 838 Lawrenceville, IL 62439

Regards,



Jesse R. Middagh
Operations Manager



OIL AND GAS LEASE

AGREEMENT, Made and entered into the 16th day of January, 2008, by and between LARRY L. CARR and MARLENE M. CARR, husband and wife, 615 Morris, Larned, Kansas, 67550, hereinafter called Lessor (whether one or more), and Herman L. Loeb, Lawrenceville, Illinois, hereinafter called Lessee.

Lessor, in consideration of Ten Dollars and more (\$10.00+) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in County of Pawnee, State of Kansas described as follow, to-wit:

See Attached Schedule "B"

in Section Twenty-seven (27), Township Twenty-one (21) South, Range Sixteen (16) West, and containing 87.6 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained this lease shall remain in force for a term of two (2) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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 wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty per Schedule "A" per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the proceeding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said Lessor only in the proportion which Lessor's 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 Lessee's operation thereon, except water from the wells 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 written consent of Lessor.

Lessee shall pay for damages caused by Lessee's operations to 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, and upon termination of this lease, Lessee shall remove all machinery and fixtures.

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. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

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, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

SEE SCHEDULE "A" Attached for Additional Provisions

IN WITNESS WHEREOF, the undersigned executed this instrument as of the day and year first above written.

Witnesses:

Larry L. Carr signature and name

Marlene M. Carr signature and name

Redacted Social Security Number

Redacted Social Security Number

Ch. JS, Ver. JS, Indexed Num. 168, Cross

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF KANSAS, COUNTY OF PAWNEE, SS:

The foregoing instrument was acknowledged before me this 16th day of January, 2008, by **LARRY L. CARR** and **MARLENE M. CARR**, husband and wife.

(Seal)



Sally A. Dreiling
Notary Public

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF KANSAS, COUNTY OF _____, SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____.

(Seal)

Notary Public

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF _____, COUNTY OF _____, SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____.

(Seal)

Notary Public

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF _____, COUNTY OF _____, SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____.

(Seal)

Notary Public

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF _____, COUNTY OF _____, SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____.

(Seal)

Notary Public

OIL AND GAS LEASE

No. _____
FROM _____
TO _____
Date _____
State of _____ County of _____
Section _____ Township _____ Range _____
Number of Acres _____ Term _____
Comments:

No. 20080494 Book M109 Page 241
Pawnee County, State of Kansas
RECORDED

Apr 9, 2008 10:25 AM Fees \$24.00

Jacque Schulze
Jacque Schulze, Register of Deeds



SCHEDULE "A"

The provisions of this lease are hereby amended to include in the granting clause, helium and other extractions. The royalty clause is hereby amended to include a royalty payment on helium and other extractions at the mouth of the well, if proceeds for such extractions are received by Lessee.

It is agreed that the Lessor shall bear no costs of gas treatment, dehydration, compression, transportation or water hauling charged to this lease by Lessee in its operations thereon. It is further agreed that Lessor shall receive their proportionate royalty share of all monies received by Lessee for oil and/or gas production attributable to this lease, including any premiums, rebates and refunds of any kind or nature paid to Lessee and any take or pay payments, production payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue Lessor would otherwise receive from oil and/or gas production from this lease.

Lessor reserves the right to purchase gas for farm purposes, including but not limited to irrigation purposes from wells located on the above-described real estate or from any real estate unitized with the above-described real estate. Lessor shall make all connections for these purposes at his sole cost, expense and liability, and Lessor shall conform to the engineering specifications of Lessee's production department. Lessor shall pay Lessee for any gas purchased for irrigation purposes in the amount per MCF equal to the price then in effect under any contract under which Lessee is selling gas from the gas well on the above-described real estate or any unitized real estate to a third party. The amount of gas which the Lessor may purchase hereunder shall be limited to one-eighth (1/8) of the entire amount of gas produced from wells located upon the above-described real estate or from the real estate unitized therewith.

Lessee agrees to return the land as nearly as possible to its present condition after any drilling operations.

Any tanks or gunbarrels shall be placed in a corner of the land.

Before building any roads, Lessee and Lessor shall mutually agree as to the site for the roads. No rock shall be used to construct roads, no road ditches shall be constructed and roads shall not obstruct the natural or established flow of water.

Any pumping units shall be lowered so as not to interfere with any center pivot irrigation system, now or hereafter installed upon the above-described real estate.

The Lessee shall not, notwithstanding the provisions of paragraph 1 of this Oil and Gas Lease, inject any gas, water or other fluid and air into any subsurface stratum which contains water suitable for irrigation purposes or for domestic consumption or livestock consumption.

Notwithstanding anything to the contrary contained in this Lease, if during the primary term hereof, a well is drilled and oil is produced therefrom in commercial quantities, the Lessee agrees either to commence drilling operations for an additional oil well and complete said operations within thirty-six (36) months following the completion of the first well producing oil in commercial quantities or release all acreage in said lease, except the forty (40) acres immediately surrounding the first producing well.

Lessee shall not drill any salt water disposal well upon the above-described real estate without the express written consent of the Lessor being first obtained, provided Lessee shall have the right to drill a salt water disposal well for disposition of salt water from wells drilled on the real estate described in paragraph 1 of this lease.

At the option of Lessors, surface pipe will be set below the fresh water formation.

In the event of gas production hereunder in commercial quantities and said well is not shut-in, Lessor is to receive a minimum of ten dollars (\$10.00) per net mineral acre per year royalty in order to perpetuate this lease. Lessee shall have thirty (30) days after notification by Lessor of insufficient royalty to tender said deficiency.

If the primary term of this lease is perpetuated by production of oil or gas, notwithstanding anything to the contrary contained in this lease, it is expressly agreed that this lease shall terminate as of two (2) years after expiration of the primary term hereof, insofar, and only insofar, as to all of the formations lying below 100 feet below the total depth of the deepest test drilled by the lessee or its assigns on the above-described premises. Lessee shall be obligated to file of record in the applicable office of the Register of Deeds a release of such lower zones or formations within sixty (60) days after the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be subject to damages and for any attorney's fees incurred by Lessors in obtaining such release.

Lessee shall bury all pipelines at least forty (40) inches below the surface of the above-described real estate.

Lessee shall haul trash to the landfill and shall dump no trash in any pits.

If the Lessee conducts any drilling operations upon any portion of the above-described real estate which is irrigated land, the Lessee shall either use tanks and shall permit no drilling mud to remain on said premises or, at the option of the Lessee, pits may be dug but as soon as the pits are dry, all drilling mud will be removed and the pits closed as herein provided.

Lessee shall not go upon or conduct any operations upon the irrigated portion of the above-described real estate between April 1st and October 30th in any calendar year unless given written permission by the Lessor. Crop damages shall be paid upon the basis of average field yield times average price at maturity, plus one thousand dollars (\$1,000.00) per day for any time operations are conducted between April 1st and October 30th upon irrigation portions, plus any loss as a result of lower crop yield due to operations of the Lessee which prevented timely irrigation of said crops.

The Lessee shall not have the right to use fresh water produced from the above-described real estate for the purpose of secondary recovery by water flood, pressure maintenance or other similar operations.

Before commencing any drilling operations upon non-irrigated portions of the above-described real estate, the Lessee shall pay the sum of one thousand five hundred dollars (\$1,500.00) to the Lessor as a deposit to be applied against damages to land and crops caused by the operations of the Lessee. Lessee shall exercise its best effort to avoid drilling on irrigated land, but if such drilling is necessary as providing the best potential for production, the Lessee shall pay Lessor six thousand five hundred dollars (\$6,500.00) prior to commencement of drilling operations as minimum damages to irrigated land. If the described real estate, is damaged (physical and/or loss to crop production capability or loss to grazing rights) to an amount greater than the amount paid prior to drilling operations, then Lessee shall promptly pay Lessor such additional damages.

In the event of production of only gas in commercial quantities and in the further event said gas well is shut-in, the Lessee shall pay shut-in gas royalties of ten dollars (\$10.00) per net mineral acre per year for the three (3) year period after such gas well is completed and thereafter, the shut-in royalty payments shall be ten dollars (\$10.00) per net mineral acre per year. If gas has not been sold from said premises within six (6) years from completion of said gas well, this lease shall expire six (6) years from the date of completion of said gas well.

Lessee shall use plastic lined pits on water pits but shall not be required to use plastic lined reserve pits.

The Lessee agrees that in connection with its operations upon the above-described real estate, the shale and reserve pits will be dug in such a manner as to remove and preserve the Lessor's topsoil and to segregate the topsoil from the subsoil and after use, said pits will be backfilled by Lessee pursuant to this lease at such time as the Lessor shall direct.

The Lessee agrees to comply with all rules and regulations of the United States Department of Agriculture, Natural Resources Conservation Services and appropriate Farm Service Agency with respect to any conservation Reserve Program covering the above-described real estate. In particular, when drilling and operations have terminated, the Lessee shall restore the surface to its present condition, including the reseeded of grass acceptable to the Natural Resources Conservation Services and Farm Service Agency.

Lessee shall not enter or attempt to enter onto the leased land during muddy conditions, except as may be agreed by Lessor. In the event Lessee shall already be on and conducting drilling operations when muddy conditions develop, then Lessee shall use reasonable efforts to minimize damage to land, but Lessee shall not be required to stop operations due to muddy conditions.

Notwithstanding any other provision of this lease, the Lessor and Lessee agrees that this lease does not provide Lessee with a pipeline right of way and/or easement for carrying or transporting gas, oil, or other oil and gas related materials that are produced from locations not originating on the leased land or on land to which the leased land will be unitized.

The Lessee upon request shall furnish copies of documents and logs in its possession or under its control relative to the geologic structure of the above-described real estate. Such information shall be kept strictly confidential by the Lessor.

Notwithstanding anything here contained to the contrary, no well shall be drilled nearer than three hundred feet (300') to the house, barn or any other structure on said premises without the written consent of the Lessor.

SCHEDULE "B"

Township 21 South, Range 16 West

27: All that portion of the North Half of the Southwest Quarter (N/2SW/4) and West Half of the Northwest Quarter (W/2NW/4), lying South and East of the A.T.&S.F. Railroad right-of-way, less and except the following described tract of land :

Beginning at a point on the East right-of-way of the Township road, which bears from the Southwest corner of said Section 27, North 1510.0 feet and East 30.00 feet; thence continuing North on and along said right-of-way 262.2 feet to the south of the right-of-way of the A.T.&S.F. Railway thence North 44 degrees 19'00" East, 11.0 feet; thence 90 degrees 00' 00" East, 432.3 feet; thence South 270.0 feet; thence 90 degrees 00'00" West, 440.0 feet to the point of beginning

EXTENSION OF OIL AND GAS LEASE

WHEREAS, Herman L. Loeb LLC

is the owner(s) and holder(s) of an oil and gas lease on the following described land in Pawnee
County, State of Kansas:

See attached Schedule "A"

and recorded in Book M109 Page 241, of the Records of Said County, and

WHEREAS, said lease expires in the absence of drilling operations on January 16, 2010
and the said owner(s) and holder(s) desire(s) to have the term of said lease extended;

NOW, THEREFORE, the undersigned, _____
Larry L. Carr and Marlene M. Carr, husband and wife

for themselves, their heirs, executors, administrators and assigns, for and in consideration of Ten and more Dollars (\$10.00 & more), in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term had been originally expressed in such lease, for a period of one (1) year from the date of the said expiration thereof and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by said lease is or can be produced; subject, however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed.

IN WITNESS WHEREOF, this instrument is signed on this the 27th day of October,
2009.

Larry L. Carr
Larry L. Carr

Marlene M. Carr
Marlene M. Carr

Ver JS
Num DW
Scan DW
Copy DW
Ok JS

STATE OF KANSAS)
) ss. ACKNOWLEDGMENT FOR INDIVIDUAL
COUNTY OF PAWNEE)

This instrument was acknowledged to me on this 27th day of October, 2009,
by Larry L. Carr and Marlene M. Carr, husband and wife

My commission expires: 2/23/2013

Loretta Stoecklein
Loretta Stoecklein Notary Public

LORETTA STOECKLEIN
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 2-23-2013



STATE OF KANSAS, PAWNEE COUNTY, SS
JACQUE SCHULZE, REGISTER OF DEEDS
Book: M114 Page: 148
Receipt #: 33314 Total Fees: \$12.00
Pages Recorded: 2
Date Recorded: 1/19/2010 10:20:00 AM

SCHEDULE "A"

Township 21 South, Range 16 West

27: All that portion of the North Half of the Southwest Quarter (N/2SW/4) and West Half of the Northwest Quarter (W/2NW/4), lying South and East of the A.T.&S.F. Railroad right-of-way, less and except the following described tract of land :

Beginning at a point on the East right-of-way of the Township road, which bears from the Southwest corner of said Section 27, North 1510.0 feet and East 30.00 feet; thence continuing North on and along said right-of-way 262.2 feet to the south of the right-of-way of the A.T.&S.F. Railway thence North 44 degrees 19'00" East, 11.0 feet; thence 90 degrees 00' 00" East, 432.3 feet; thence South 270.0 feet; thence 90 degrees 00'00" West, 440.0 feet to the point of beginning

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/>

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

Sam Brownback, Governor

July 11, 2013

Jesse Middagh
HERMAN L. LOEB, LLC
PO BOX 838
LAWRENCEVILLE, IL 62439

Re: Drilling Pit Application
MUSSELMAN 5-34
Sec.27-21S-16W
Pawnee County, Kansas

Dear Jesse Middagh:

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 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.