



KANSAS CORPORATION COMMISSION 1218948
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.



Recorder No. 09-162

KANSAS BLUE PRINT Co. Inc.
216-284-4284 • P.O. Box 790 • Wichita, KS 67201-0790

Mid-Continent Association Form B

ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned,

J. FRED HAMBRIGHT, INC.

hereinafter called Assignor (whether one or more), for and in consideration of One Dollar (\$1.00) the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto Russell Oil Inc. a Kansas corporation
PO BOX 1469 Plainfield, IL 60544

(hereinafter called Assignee), all right, title and interest in and to the oil and gas lease

dated April 24 2008 from EDWARDS
Max L. Edwards and Delinda L. Edwards, Trustees of the Max and Delinda Trust
under agreement dated March 22, 2007

to J. FRED HAMBRIGHT, INC. lessor
lessee

recorded in book 220, page 133 insofar as said lease covers the following described land in
Scott County, State of Kansas

Township 16 South, Range 34 West
Section 6: NW/4
Section 6: NE/4

of Section --- Township --- Range --- and containing 320 acres, more or less together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignor covenants with the Assignee, its or his heirs, successors or assigns: That the Assignor is the lawful owner of and has good title to the interest above assigned in and to said lease, estate, rights and property, free and clear from all liens, encumbrances or adverse claims; That said lease is a valid and subsisting lease on the land above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed.

EXECUTED, This 24th day of July, 2008

J. FRED HAMBRIGHT, INC.

BY: [Signature]
J. FRED HAMBRIGHT

STATE OF --- } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)
COUNTY OF ---

Before me, the undersigned, a Notary Public, within and for said County and State, on this --- day of --- personally appeared --- and ---

to me personally known to be the identical person --- who executed the within and foregoing instrument and acknowledged to me that --- executed the same as --- free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires --- Notary Public

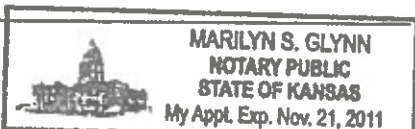
STATE OF Kansas } ss. ACKNOWLEDGMENT FOR CORPORATION
COUNTY OF Sedgwick

Be it remembered that on this 24th day of July, 2008 before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came J. Fred Hambricht president of J. Fred Hambricht, Inc.

a corporation of the State of Kansas personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.

My commission expires --- [Signature] Notary Public



(This Space Reserved for Filing Stamp)



COMPUTER NUMERICAL de

STATE OF KANSAS, SCOTT COUNTY, SS
This instrument was filed for record on the 24th day of August A.D. 2008
10 o'clock A.M., and duly recorded in book 221 page 191
[Signature] Register of Deeds
\$ 800

OIL AND GAS LEASE



AGREEMENT, Made and entered into the 24th day of April 2008

by and between Max L. Edwards and Delinda L. Edwards, Trustees of the Max and Delinda Trust under agreement dated March 22, 2007

Edwards MLE, DLE

whose mailing address is 1408 Elizabeth, Scott City, KS 67871 hereinafter called Lessor (whether one or more), and J. Fred Hambright, Inc.

125 N. Market, Ste 1415, Wichita, KS 67202 hereinafter called Lessee:

Lessor, in consideration of one and more Dollars (\$1.00 & more) 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 Scott State of Kansas described as follows to-wit: see attached Addendum

Township 16 South, Range 34 West Section 6: NW/4 Section 6: NE/4

In Section XXX Township XXX Range XXX and containing 320 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) 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) of 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 One Dollar (\$1.00) per year 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 preceding 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 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. 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.

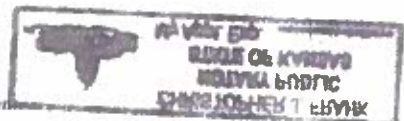
Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated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

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, 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 to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.



STATE OF KANSAS, SCOTT COUNTY, SS This instrument was filed for record on the 13 day of June A.D. 2008 10 o'clock AM, and duly recorded in book 220 page 133 J. Gabe Murphy \$ 16.00 Register of Deeds

COMPUTERIZED RECORDING



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

Witnesses:

Max L. Edwards, Trustee Max L. Edwards, trustee

Delinda L. Edwards, Trustee Delinda L. Edwards Trustee

Exhibit "A"

ADDENDUM

ADDENDUM to Oil and Gas Lease dated the 24th day of April 2008, by and between, the Max and Delinda Edwards Trust u/a dtd. March 22, 2007, Max L. Edwards and Delinda L. Edwards, Trustees

hereinafter collectively referred to as Lessor, and J. Fred Hambright Inc., as Lessee.

This ADDENDUM is a part of that certain oil and gas lease identified above by date and parties covering the below defined tracts in the County of ^{SCOTT} Logan, State of Kansas, to the same extent as if the provisions hereof has originally been written in said lease. In the event of conflict between the lease provisions and the provisions provided in this Addendum, the provisions of this Addendum shall be binding.

It is understood and agreed that the below defined tracts shall constitute separate and individual leases according to the terms set herein.

Tract 1: Township 16-S Range 34-W, Section 6: NW/4, containing 160 acres, more or less.

Tract 2: Township 16-S Range 34-W, Section 6: NE/4, containing 160 acres, more or less.

1. It is the intention of the parties hereto to cause as little interference with farming operations on said land as possible, including but not limited to the operation of pivotal irrigation sprinkler systems, or other irrigation method. Any production equipment, including but not limited to pump jacks, hydraulic lifting or other equipment necessary to produce any oil or gas well on said land shall be recessed to such depth, or utilize low-profile equipmen, as to permit the use by Lessor of a circular irrigation sprinkler system. Should any alterations to the surface contours be caused by its operations, Lessee, or his assigns, shall restore said surface contours to their former condition as nearly as is practicable.
2. A sufficient dike shall be placed around tank batteries. Also tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on milo stalks or wheat. Lessee or assigns agrees to comply with all applicable Federal, State and Local laws and regulations.
3. If at the end of the primary term, this Lease is not otherwise continued in force under the provisions hereof, this Lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum equal to the total original per acre bonus paid to Lessor under the initial primary term of said lease multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this Lease; and subject to the other provisions of this Lease, the primary term shall be extended for an additional term of three (3) years from the end of the primary term hereof. It is understood and agreed that the option to extend may be exercised individually according to the tracts herein described, with no obligation on the remainder tracts.

Max L. Edwards, trustee
Max L. Edwards, Trustee

Delinda L. Edwards trustee
Delinda L. Edwards, Trustee

AFFIDAVIT OF POSSESSION



By Fee Owner

State of Kansas
County of Scott } ss.

I

_____ being first duly sworn
deposes and says:

My name is Max L. Edwards

that I am of lawful age and reside in Scott County, Kansas

That I am the owner of lands situated in the County of Scott

State of Kansas, described as follows, to-wit:

~~see attached addendum~~
Township 16-S Range 34-W
Section 6: N/2

of Section xxx Township xxx Range xxx and containing 320 acres, more or less,

That I, have been in open, adverse, exclusive, continuous, and undisputed possession of said lands for more than one years last past.

That I am paying taxes on, occupying and cultivating said land.

Further affiant saith not.

Max L. Edwards
Max L. Edwards

STATE OF Kansas
COUNTY OF Scott } ss.

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

Before me, the undersigned, a Notary Public, within and for said County and State on this 24th day of April, 2008, personally appeared Max L. Edwards ~~and~~ _____, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as a free and voluntary act and deed for the uses and purposes therein set forth, and at the same time the affiant was by me duly sworn to the foregoing Affidavit of Possession.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires 1/15/12

Christopher J. Frank
Notary Public
CHRISTOPHER J. FRANK
NOTARY PUBLIC
STATE OF KANSAS
My Comm. Exp. 1/15/12

J. FRED HAMBRIGHT, INC.
125 N. Market, Suite 1415
Wichita, KS 67202
316.265.8541

OWNERSHIP REPORT

Land:

Township 16 South-Range 34 West
Section 6: N/2

Scott County, Kansas, containing 320 acres, more or less.

AFTER A CAREFUL EXAMINATION OF THE COUNTY RECORDS, IT APPEARS THAT THE ABOVE LAND IS OWNED AS FOLLOWS:

Name of Mineral owner	Interest	Net Acres	Leasehold & Expiration Date
Max L. Edwards and Delinda L. Edwards, Trustees Of the Max and Delinda Edwards Trust under agreement dated Mar 22, 2007 1408 Elizabeth Scott City, KS 67871	Full	320	JFH April 24, 2011(14)

Surface Owner: Same

Liability limited to cost of document. Expired oil and gas leases and mortgages not examined.

Prepared by: Joseph D. Combs

Date: April 24, 2008



STATE OF KANSAS, SCOTT COUNTY, SS
 This instrument was filed for record on the
31 day of March A.D. 2014
10 o'clock A.M., and duly recorded in book
267 page 52
Subbie Muepky
 \$ 12.00 Register of Deeds

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EXTENSION OF OIL AND GAS LEASE

WHEREAS, RUSSELL OIL, INC., 1004 NW 139th Street Parkway, Edmond, OK 73013, is the owner and holder of an oil and gas lease on the following described land in Scott County, State of Kansas, to wit:

LESSOR: The Max and Delinda Edwards Trust under agreement dated March 22, 2007, Max L. Edwards and Delinda L. Edwards, Trustees
 LESSEE: J. Fred Hambright, Inc.
 DATE: April 24, 2008
 LEGAL: Lots 1, 2, 3, 4, and 5; the Southeast Quarter of the Northwest Quarter; the South Half of the Northeast Quarter; also described as the North Half, of Section 6, Township 16 South, Range 34 West, containing 338.18 acres more or less.
 RECORDED: Book 220, Page 133, and Book 241, Page 105, Office of Register of Deeds, Scott County, Kansas.

WHEREAS, said lease was extended for 3 years on April 15, 2011. Said lease expires in the absence of drilling operations on April 24, 2014, and the said owner and holder desires to have the term of said lease extended.

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of Ten and more Dollars (\$10.00), 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 Two (2) years from the date of the said expiration thereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease, subject however, in all other respects, to the provisions and conditions of said lease as modified, if any modification thereof may have been heretofore executed.

IN WITNESS WHEREOF, this instrument is signed on this the 31st day of March, 2014.

The Max and Delinda Edwards Trust

Max L. Edwards
 (Max L. Edwards, Trustee)

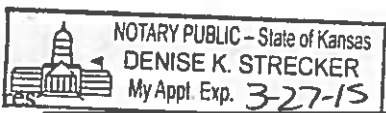
Delinda L. Edwards
 (Delinda L. Edwards, Trustee)

STATE OF Kansas)
) ss.
COUNTY OF Scott)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 4th day of March, 2014, personally appeared Max L. Edwards and Delinda L. Edwards, as Trustees of the Max and Delinda Edwards Trust, to me personally known to be the identical person(s) who executed the within and foregoing instrument and acknowledged to me that they executed the same as a free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

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My commission expires

Denise K. Strecker
Notary Public

ORIGINAL COMPARED WITH RECORD

4th

March

Max L. Edwards

Delinda L. Edwards

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/>

Shari Feist Albrecht, Chair
Jay Scott Emler, Commissioner
Pat Apple, Commissioner

Sam Brownback, Governor

August 19, 2014

LeRoy Holt II
Russell Oil, Inc.
PO BOX 8050
EDMOND, OK 73083

Re: Drilling Pit Application
Edwards Trust G 6-1
Sec.06-16S-34W
Scott County, Kansas

Dear LeRoy Holt II:

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 within 96 hours of completion of drilling operations.

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.