For KCC Use:

Eff	e	ct	iv	е	Date
— ·					

District	#	

SGA?	Yes	No

Form

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

March 2010 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

1230676

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

KSONA-1, Certification of C	Compliance with the Kansas	Surface Owner Notification	Act, MUST be submitted	l with this form
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Expected Spud Date:	Spot Description:
month day year	
OPERATOR: License#	feet from N / S Line of Section
Name:	Feet from E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	
Numo	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MSL
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
Disposal Wildcat Cable	Public water supply well within one mile:
Seismic ; # of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
	Surface Pipe by Alternate:
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

- 1. Notify the appropriate district office *prior* to spudding of well;
- 2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
- 3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
- 4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
- 5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
- 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 DAYS of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

Submitted E	Electronically
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For KCC Use ONLY	
API # 15	
Conductor pipe required	feet
Minimum surface pipe required	feet per ALT.
Approved by:	
This authorization expires: (This authorization void if drilling not started within 12	
Spud date: Agent:	

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.
 - Well will not be drilled or Permit Expired Date: _ Signature of Operator or Agent:

ш

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



Section corner used: NE NW SE SW

For KCC Use ONLY

API # 15 - ____

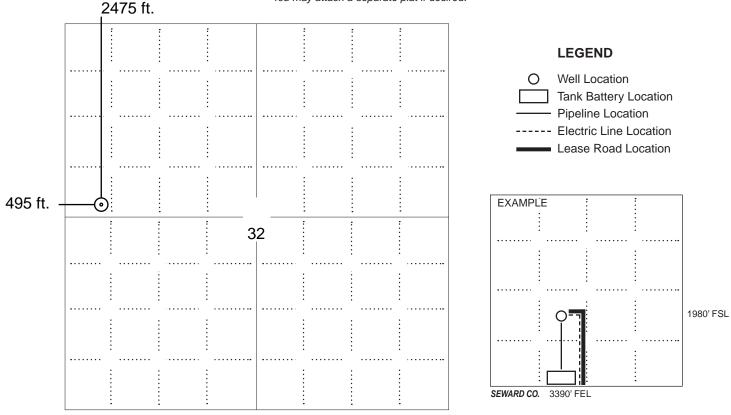
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	SecTwpS. R E W
Number of Acres attributable to well:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary.

PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



NOTE: In all cases locate the spot of the proposed drilling locaton.

In plotting the proposed location of the well, you must show:

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

Side Two



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1230676

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:		bhint in Dupicat	License Number:		
Operator Address:					
Contact Person:			Phone Number:		
Lease Name & Well No.:			Pit Location (QQQQ):	Pit Location (QQQQ):	
Type of Pit:	Pit is:		· · · ·		
Emergency Pit Burn Pit	Proposed	Existing	SecTwp R		
Settling Pit Drilling Pit	If Existing, date co	nstructea:	Feet from North / South Line of Section		
(If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from E	East / West Line of Section	
		(bbls)		County	
Is the pit located in a Sensitive Ground Water A	irea? Yes	No	Chloride concentration:	Pits and Settling Pits only)	
Is the bottom below ground level?	Artificial Liner?	٧o	How is the pit lined if a plastic li	ner is not used?	
Pit dimensions (all but working pits):	Length (fe	et)	Width (feet)	N/A: Steel Pits	
Depth fro	om ground level to dee	epest point:	(feet)	No Pit	
Distance to nearest water well within one-mile of	of pit:	Depth to shallor Source of inform	west fresh water nation:	feet.	
feet Depth of water well	feet	measured	well owner el	ectric log KDWR	
Emergency, Settling and Burn Pits ONLY:		Drilling, Worko	over and Haul-Off Pits ONLY:		
Producing Formation:		Type of materia	material utilized in drilling/workover:		
Number of producing wells on lease:		Number of work	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 b	ill 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

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT Form KSONA-1 January 2014 Form Must Be Typed Form must be Signed All blanks must be Filled

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License #	Well Location:
Name:	
Address 1:	County:
Address 2:	Lease Name: Well #:
City: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
Contact Person:	
Phone: () Fax: ()	
Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the
Address 2:	county, and in the real estate property tax records of the county treasurer.
City: State: Zip:+	

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

Submitted Electronically

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OIL AND GAS LEASE

20 14

The Paul E. Lawrence and Frances M. Lawrence Revocable Trust, dated January 20, 1997

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and be

AGREEMENT, Made and entered into the

15th

day ġ,

October

The South Half Northwest Quarter (S/2 NW/4) and the Southwest Quarter (SW/4)	Lessor, in consideration of <u>Ten and More</u> Dollars (<u>§ 10.00 & More</u>) 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 <i>lessee</i> for the respective constituent products, injecting gas, water, other fluits, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, <i>save, take</i> 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 Cowley State of Kansas described as follows to-wit:	- whose mailing address is <u>3016 N. Pecan Road</u> Ponca City, Oklahoma 74604 hereinafter called Lessor (whether one or more), and VAL ENEGY INC., 125 N. Market, Suite 1710 Wichita, Kansas 67202 hereinafter called Lessee:	
------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

32 Township_ 32 South Range 6 East and containing 240 more or less, and all

of Section 32 accretions thereto (60) from this date : (called

Subject to the provisions herein contained, this lease shall remain in force for a term of <u>Sixty (60)</u> thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land. In consideration of the premises the said lessee covenants and agrees: days "primary term").and as long

lst. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on saved from *the* leased premises. said land, the equal one-eighth (i) part of all oil produced and

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 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 the said lessor only a less interest in the above described land than the entire and undivided fee. If said lessor only is 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 produced on said land for lessee's operation thereon, except water from the wells of 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 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 or 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.

e shall have the right at nd be subrogated to the all right of dower and

Lessor hereby warants and agrees to defend the title to the lands herein described, from the date said land was acquired, and agrees that the lessee shall have the righ 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 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 threeof with other-land; *lease or leases* in immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in orter to propiely develop and operate said lease premises as a scitted herein. I and record in the conveyance records of the county in well, or into a unit or units not exceeding 640 acres each in the overet do gas will lessee shall receive. The en acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production ifom the pooled unit, or if it were included in this lease. The end in lieu of the royalties elsewhere herein shall be treated, for all purposes except the payment of royalties on production from the pooled unit, or if it were included in this lease or in lieu of the royalties elsewhere herein shall be treated, is if production is had from this lease, whether the particular unit involved. The end acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled only such portion of the royalty explained herein as the amount of in lease of the royalties elsewhere. There in an acreage basis bears to the total acreage so pooled in the particular unit involved. s-in-the

SEE 'ADDUNDUM' attached hereto and made മ part hereof;

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

Paul E. Lawrence and Frances M. Lawrence Revocable

BY: Trust dated Januarty 20, Frances M. Lawrence, Trustee 1997 Innote

.m 88 – (Producers Special) (Paid-Up)

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BOOK 0936PAGE0109

AGREEMENT, Made and entered into the 10th day of January 2014 hy and hetween Paul E. Lawrence and Frances M. Lawrence Revocable Trust dated January 20th, 1997
by; (Frances M. Lawrence), Trustee
· · · · · · · · · · · · · · · · · · ·
whose mailing address is 3016 N. Pecan Rd. Ponca City, OK 74604 Alar hereinafter called Lessor (whether one or more).
Lessor, in consideration of ten and more Dollars (\$ 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, relephone 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 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 the County of Cowley State of Kansas described as follows, to-wit:
۲ - Range 06 East
Section 32: N/2NW/4
In Section X Township X Range X and containing 240 acres, more or less, and all accretions thereto. Subject to the provisions herein contained, this lease shall remain in force for a term of 18 months years from this date (called "primary term"), and as long thereafter as oil,
In consideration of the premises the said lessee covenants and agrees: Ist. 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.
 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 had been completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease that lown there of here of the effect as if such well had been completed within the term of versa 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.
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 Gamages caused by lessee a operations to glowing (roles on said premises, including the right to draw and remove casing. 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 that here hese 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 portione arise arbeeneent 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 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 c 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 gage, taxes or other liens on the above described dueds, in the event of default of payment by the lessor, and be subrogated to the rights of the holder thereof remselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so f stead may in any way affect the purposes for which this lease is made, as recited herein.
Ecsect at a object in proceeding of acres and power to be a manufactor of a gas well. Person and here to any provide and the manufactor in the county are records of the county in which of an only manufactor in and the maximum of an object from said power to be one and so and the manufactor and the transmission of the county of the co
no have have a subset of moducine of more than the production is fit 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 live of the royalties elsewhere herein specified, lessor shall receive on production from a unit so lease, whether the well or wells be located on the premises covered by this lease or not. In live 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 annount 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.
*See 'Addendum' attached hereto and made a part hereof;
IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Witnesses: \times × Revocable Trust dated January 20th, 1997 x:<u>Addineer</u> <u>Interfec</u> (Frances M. Lawrence), Trustee

BOOK 0.5 S bage 0.5 BOOK 0.5 S bage 0.5 C 0.5	16.00 Resources, LLC	
Pages R	NUMERICAL CONPARED	X
Date Recorded 2/10/2014 10:58:07 AM	Cowley County, KS Register of Deeds Toni A. Long Book: 936 Page: 109-111 Total Fees: \$16.00	

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X

DIL FIELD SURVEYORS			113141 INVOICE NO.	_
VALENERGY INC	<u>1-32</u> NO.	FOX GATES	RM	
<u>Cowley</u> <u>32</u> <u>32s</u> <u>6e</u> county <u>s</u> <u>t</u> <u>r</u>		SW SW NW		
VAL ENERGY INC 125 N Market St. Ste 1710 Wichita, KS 67202		ELEVATION: -	<u>1311' GR</u>	_
AUTHORIZED BY: Todd Allam				
s	CALE: 1" = 1000'			
Set 5' & 3' wood stakes. Slight slope wheat field.				
495' Stake			······································	
Set stakes 495' east and 165 north of the west quarter of section 32.				

Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 67202-1513



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

November 05, 2014

DUSTIN WYER Val Energy, Inc. 125 N MARKET ST STE 1710 WICHITA, KS 67202-1728

Re: Drilling Pit Application FOX-GATES 1-32 NW/4 Sec.32-32S-06E Cowley County, Kansas

Dear DUSTIN WYER:

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 reserve 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 reserve pit after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. <u>NO</u> completion fluids or non-exempt wastes shall be placed in the reserve 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.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.