



KANSAS CORPORATION COMMISSION 1252615
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.

May 15, 2015

LaVeta Oil is granted permission to dig a haul off pit for the drilling mud from the Allen 11.12. The pit will be on the Heyen CJ 1 SWD ground. LaVeta agrees to return the land to its original state through evaporation and back filling. LaVeta assumes all responsibility during the drilling and hauling mud process. LaVeta also agrees to pay \$750 for the right to use the haul off pit.

<i>Marty Ziegler</i>	<i>5/18/15</i>	<i>Brenda Heyen</i>	<i>5/18/15</i>
Marty Ziegler	Date	Brenda Heyen	Date

Brenda Heyen

NOTARY PUBLIC - State of Kansas
 GLENDA D. HERNANDEZ
 My Appt. Exp. 6-11-2018

SURFACE LEASE AND WATER DISPOSAL AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of May, 2004 by and between JUNE HEYEN, Box 153, Manter, Kansas 67862, hereafter referred to as "Lessors", and La Veta Oil & Gas, L.L.C., Box 780, Middleburg, Virginia, 20118, also hereinafter sometimes referred to as "Lessee", WITNESSETH:

WHEREAS, Madean Heyen and June Heyen, Husband and wife, as Lessor, and Hallwood Petroleum, as Lessee, have heretofore entered into a Saltwater Disposal Agreement dated July 20, 1992 wherein Lessors leased a tract of land 200 feet by 200 feet around the C.J. Heyen "C" No. 1 well, which well is located in the approximately center of the SW/4 NW/4 NW/4 of Section 32-22-11, in Stafford County, Kansas, for salt water disposal purposes, such agreement being filed for record in the Office of the Registrar of Deeds of Stafford County, Kansas, in Book 115, at Page 450; and

WHEREAS, La Veta Oil, the Lessee, is desirous of continuing to use said C.J. Heyen "C" No. 1 well as a salt water disposal well for the disposal of salt water and other deleterious substances produced from the various oil wells in such Richardson Field; and

WHEREAS, the parties desire to amend, modify and otherwise supersede such agreement dated July 20, 1992, including any modifications of expansions thereof, and this agreement is made for the purposes of setting forth the terms and conditions of the new agreement'; and

NOW, THEREFORE, in consideration of the mutual advantages to be obtained and for the consideration hereinafter stated, the parties agree that the Salt Water Disposal Agreement dated July 20, 1992, including any modifications or expansions thereof, between the parties hereto and their predecessors in interest, should be and the same is hereby superseded, and the parties further agree that the replacement agreement shall be upon the following terms and conditions:

Lessors, hereby let and lease to Lessee, for use as a saltwater disposal well site, the following described real estate situated in Stafford County, Kansas, to wit:

A tract of land two hundred feet (200') by two hundred feet (200') around the C.J. Heyen "C" No. 1 well, which well is located in the approximate center of the Southwest Quarter of the Northwest Quarter of the Northwest Quarter (SW/4 NW/4 NW/4) of Section Thirty-two (32), Township Twenty-two (22) South, Range Eleven (11) West of the 6th P.M.,

On which there is a saltwater disposal well known and hereinafter sometimes referred to as the C.J. Heyen "C" no. 1 well (also known as the Richard JT SW2 well).

TO HAVE AND TO HOLD the same unto Lessee, its successors and assigns, for a term of Ten (10) years commencing on May 1, 2004, and ending on May 1, 2014, subject to the provisions of Paragraph 5 herein as to renewal of the lease. No notice of termination of this lease is necessary to be given at the expiration of the lease term.

As rent for the premises and for the use and occupancy thereof, Lessee agrees to pay to Lessors the sum of \$1500.00 for the year May 1, 2004 to May 1, 2005 for the right of Lessee to use the above described tract to utilize said salt water disposal well for disposal of salt water and other deleterious substances produced from the various oil wells producing from the Richardson Field, described above. The first yearly payment shall be made upon the execution of this agreement. The subsequent yearly payments shall be for the sum of \$1500.00 and shall be made on or before the first day of May.

The parties further agree as follows:

1. The property is being leased as a saltwater disposal site. Lessors do hereby grant unto the Lessee the right, power and authority to use the above mentioned well, known as the C.J. Heyen "C" No. 1 well (also known as the Richardson JT SW2 well), as a salt water disposal well, for salt water disposal purposes and to discharge and inject into said well by gravity, pressure of otherwise, salt water and other deleterious substances produced from the various oil wells producing from the Richardson Field, described above, and as detailed in Exhibit "A" attached hereto. All salt water or other deleterious substances to be disposed of in said C.J. Heyen No. 1 salt water disposal well shall be placed only in the Arbuckle Formation or in a deeper zone, if possible.
2. Lessee shall have the right to use the surface of the leased premises for the purpose of operating and maintaining a saltwater disposal well, together with the right to install equipment and appurtenances thereto as may be necessary for the operation thereof.
3. Lessee, as a part of the consideration above recited, shall also have the right to use the leased premises for the purposes of disposing of produced salt water on the terms and conditions hereinafter outlined. The land covered by this lease shall not be used for any other purposes, unless otherwise agreed in writing by the parties.
4. Subject to agreement between the parties as to rental compensation due for each extended lease period, this lease shall continue in like periods of one year on the same terms and conditions as herein provided, unless either the Lessor or Lessee shall notify the other party in writing at least sixty (60) days prior to the termination date of the then existing lease of the intention to terminate the Lease.
5. Lessors direct that any and all rentals provided for in this agreement shall be paid or tendered to the Lessors at Box 153, Manter, Kansas 67862, unless and until Lessee is furnished with further directions in writing with respect thereto, or Lessee has been furnished with a certified copy of any instrument or proceeding which has the legal effect of changing the parties to whom such

rentals shall be due and payable. The rentals provided hereunder may be paid by check and may be remitted by mail. Mailings of rentals on or before the rental paying date shall be deemed timely tender thereof.

6. Lessee shall have the right of ingress and egress to and from the disposal site at all times, the route of such access to be designated by Lessors. Such right of ingress and egress shall include the right to use and maintain the existing roadways thereon. Lessee may improve such roadways as they deem necessary for the successful operations of their salt water disposal program; provided, however, at the expiration of the lease term, or at the plugging and abandonment of the disposal well operated by Lessee, Lessee shall be obligated to restore such land and roadways, as provided in paragraph 13 (b) below
7. It is acknowledged that Lessee, or its predecessors in interest, has already installed the roadways necessary for ingress and egress to said disposal well and have already installed the pipeline connections necessary for utilization of the said salt water disposal well. Lessee shall not have the right to construct any additional road or pipelines hereunder without the written consent of Lessors and without showing the specific location thereof; provided, however, that Lessors shall not unreasonably withhold permission for Lessee's economical access for utilization of the saltwater disposal well.
8. Lessee agrees to pay Lessors for all damages to land, crops, grasses, fence, timber, livestock, and for damages to other personal property owned by Lessor caused by their operations on the leased premises, such damages, in any, to be paid after the damages are done.
9. Lessee agrees to keep the premises free from nuisance and unlawful practices.
10. This grant shall be assignable only in whole and not in part, and the terms, covenants and conditions hereof shall be binding on such successor or assign.
11. Lessee specifically shall not have the right to use fresh water for their operations under this lease without the written consent of Lessors and without compensating Lessors for the use thereof.
12.
 - (a) All property of improvements of any nature of character owned or placed on the leased premises by Lessee shall remain its separate property. Lessee shall have the right at any time during the term of this agreement to remove such property. Within one hundred and twenty (120) days following the expiration of this lease, its surrender or termination for whatever cause, or at the plugging and abandonment of such wells operated by Lessee utilizing said disposal well, whichever is earlier, Lessee shall have the right and obligation to remove any and all property of whatsoever kind or nature which Lessee, its successors and assigns, have placed upon the leased premises.
 - (b) Lessee shall have the further obligation to remove, within one hundred twenty (120) days, any cement, hard surfacing, gravel, asphalt, or any other improvements to the road, removing all debris, and restoring the land to the same condition as received, natural wear and tear and

damage by the elements excepted, all without expense or cost to Lessors.

- (c) The area around the saltwater disposal facilities is to be maintained free of weeds without the use of saltwater or other residual chemical substances. Within one hundred and twenty (120) days following the expiration of this lease, its surrender or termination for whatever cause, or at the plugging and abandonment of such wells operated by Lessee utilizing said disposal well, whichever is earlier, the salt water disposal facilities will be removed and the land restored to its original condition, natural wear and tear and damages by the elements excepted, all without expense or cost to Lessors.
13. Lessee agrees to carry adequate liability insurance for injuries to persons and damages to property, which may be sustained while occupying the property covered by this lease. Lessee shall further indemnify and hold Lessors harmless from any and all damages of whatsoever kind of nature resulting from Lessee's occupancy and use of the leased premises.
14. Lessors agree to pay all taxes, liens and other encumbrances on the real property as the same become due and payable; provided, however, such obligation shall not apply to property of Lessee, which shall be the responsibility of Lessee. Lessee shall be obligated to pay all such taxes, liens, and other encumbrances on any property owned by them and located on the leased premises during the lease term.
15.
 - (a) Lessee shall take all reasonable precautions to prevent saltwater leaks and spills, to prevent pollution of soil and fresh water sources, and to control excessive soil erosion. In the event of pollution of fresh water resources, Lessee agrees to immediately cease their operations hereunder until such pollution problem is resolved.
 - (b) Lessee agrees they will comply with all regulations and statutes of all governmental entities having jurisdiction over compliance with environmental legislation. Lessee further agrees to accept the lease premises in its "as is" condition.
 - (c) Lessee shall indemnify, hold harmless, and defend Lessors against any claim, demand, cost, liability, loss, or damage, actions, or causes of action from any environmental damage or contamination caused or contributed to by Lessee subsequent to the commencement of this lease, including the generation, processing, handling, transportation, storage, treatment, recycling, marketing, use, disposal, release, or threatened release, of oil, natural gas, natural gas liquids, all other petroleum substances, any waste material, or any "Hazardous Substance" or "Pollutant or Contaminant" as those terms are defined by the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) at CERCLA & 101 (14) and (33), 42 U.S.C. & 9601 (14) and (33) (1988).

- (d) Lessee's obligations created by this Section are continuing obligations, which will continue in effect, and be enforceable by Lessors, even after this salt water disposal agreement terminates or otherwise ceases to burden the land covered by this agreement.
16. Lessee agrees to bury any pipelines necessary in the operation of the saltwater disposal well to a depth of not less than thirty-six inches (36") below the surface to the top of the pipe. Lessee further agrees to compact, backfill, and maintain the pipeline ditch at original ground level. Provided, however, this provision herein as to the depth of lines does not apply to those pipelines in place prior to the execution of this agreement.
 17. Any power and communication lines required for the salt water disposal site shall be installed to a depth of not less than thirty-six (36") below the surface, unless otherwise agreed by Lessors.
 18. Lessee agrees to comply with any and all regulations set out by the Kansas Corporation Commission (KCC) and any other regulatory agency having jurisdiction over the operation of salt water disposal facilities in the State of Kansas, including the construction of berms around any tanks and/or wellheads which may be required by the KCC or other regulatory agency having jurisdiction over such facilities.
 19. Lessee agrees that all saltwater disposed into said well shall be transported from receiving tanks in to the saltwater disposal well through disposal lines. No saltwater or other like substances shall ever be disposed directly from a producing well or from trucks into the saltwater well.
 20. Lessee agrees to provide to Lessors, upon Lessors' written request, verification of barrels disposed of in the saltwater disposal well, as reported to the Kansas Corporation Commission.
 21. Any notice or demands required to be given in writing by either party to the other hereunder shall be given to such party by registered or certified mail addressed to the address of such party as set forth in the heading of this agreement, or at such other address as either party may hereafter from time to time designate to the other in writing.
 22. In the event Lessee shall be in default or breach of any of the terms of this agreement, Lessors shall have the right to given written notice to Lessee of such default or breach. Lessee shall than have thirty (30) days within which to meet the terms of this agreement. If they shall fail to do so within said thirty (30) day period, then Lessors shall have the right and option to declare this agreement null and void, and they shall have the further right to immediate possession of the property in the event of such default.
 23. Lessee agrees that the saltwater well herein described shall not be used for any water flooding or injection purposes and shall in no way be construed as continuing any existing oil and gas lease upon the described property.

This agreement shall be binding upon the parties hereto, their respective heirs, executors, administrators, representatives, successors, and assigns.

IN WITNESS WHEREOF, the parties have hereunto set forth their hands this 10th day of MARCH, 2004, provided the foregoing agreement shall be effective as of May 1, 2004.

LESSOR:

June Heyen
June Heyen

LEESEE:

La Veta Oil & Gas, L.L.C.

By: [Signature]
Eric Nettere

ACKNOWLEDGEMENTS

STATE OF KANSAS

COUNTY OF STANTON

Before me, the undersigned, a Notary Public, within and for said County and State, on this 15th day of March, 2004, personally appeared June Heyen, to be personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

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



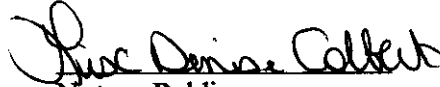
[Signature]
Notary Public

STATE OF VIRGINIA

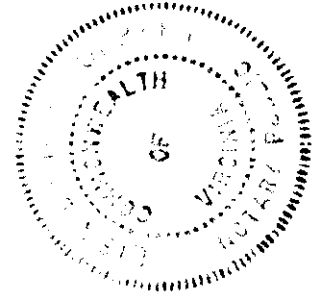
COUNTY OF FAUQUIER

The foregoing instrument was acknowledged before me this 10th day of March, 2004 by Eric B. Nettore of La Veta Oil & Gas, L.L.C., a Colorado Corporation.

Witness my hand and seal.


Notary Public

Lisa Denise Colbert
Printed Name
State of Virginia



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

June 11, 2015

marty ziegler
La Veta Oil & Gas, LLC
312 N BUFFALO
STAFFORD, KS 67578

Re: Drilling Pit Application
allen 11
Sec.31-22S-11W
Stafford County, Kansas

Dear marty ziegler:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the Haul-Off pit be lined with bentonite or native clay, constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the Haul-Off pit 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 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.