



KANSAS CORPORATION COMMISSION 1315557  
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	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> 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><b>Submitted Electronically</b></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.

OIL AND GAS LEASE

AGREEMENT. Made and entered into this 15th day of July, 2004

By and between Bruce Davidson also known as Bruce I. Davidson, a single person whose mailing address is 10206 N E 90 th Avenue, Pratt, Kansas 67124 hereinafter called Lessor (whether one or more), and Calvin R. Hullum Jr., 427 S. Boston, Tulsa, Ok, 74103 hereinafter called Lessee.

Lessor, in consideration of Ten or More Dollars (\$10.00) cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee, for the sole and only purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipe lines, and building tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Pratt State of Kansas described as follows, to-wit:

Lots 1,2,3,4 and the E/2 NW/4 and the E/2 SW/4, (also described as the West Half) of Section 31, Township 27 South Range 11 West and containing 320.0 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 it may connect its wells, one-eighth (1/8) of the net proceeds received on all oil (including but not limited to condensate and distillate) produced and saved from the leased premises. 2nd. To pay lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of one-eighth (1/8) of the net proceeds realized by Lessee, at the wellhead, for the gas sold, such net proceeds to be less a proportionate part of the production, severance, and other excise taxes and the cost incurred by Lessee in delivering, treating for the removal of nitrogen, helium or other impurities in the gas, processing, compressing, or otherwise making such gas merchantable. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty Five Dollars (\$5.00) 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 therein 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 the 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 in 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 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 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 judgement 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 160 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.

SEE ATTACHED EXHIBIT "A" FOR ADDITIONAL TERMS AND CONDITIONS.

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

WITNESSES:

Bruce Davidson
Bruce Davidson
AKA Bruce I. Davidson

Register of Deeds
Pratt County, Kansas
Sherry L. Henrich
Book: 294 Page: 615
Receipt #: 3487 Total Fees: \$12.00
Pages Recorded: 2
Date Recorded: 7/23/2004 2:38:50 PM

HELD BY
PRODUCER

ACKNOWLEDGEMENT

Book: 294 Page: 616

STATE OF Kansas )  
 ) ss  
COUNTY OF Pratt )

ACKNOWLEDGMENT FOR INDIVIDUAL, (KsOKCoNe)

The foregoing instrument was acknowledged before me this 16 day of July, 2004, by Bruce Davidson, aka Bruce I. Davidson, a single person to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes set forth. In Witness Whereof, I have hereunto set my hand and official seal the day and year last above written.

Notary Public: Shelly K Levine

Printed Name: Shelly K Levine

My Commission Expires: 7/8/2008

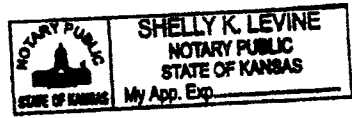


EXHIBIT "A"

Lessee shall consult with Lessor regarding the location of all roads built on the lease premises. The owner of the surface of the lease premises and Lessee must agree on the location of any cut in a fence prior to a fence being cut. Lessee shall construct proper and sufficient braces at any point where fences are to be cut, prior to cutting. Braces shall be constructed so that slack will not develop in existing fences. Surface owner and Lessee must agree on the location and type of cattle guards and gates installed by Lessee (which installation shall be at the sole cost of Lessee) in each fence that is crossed by Lessee. Cattle guards and gates shall remain on the lease premises following termination of this Lease and shall become the property of the surface owner. During the term of this Lease all cattle guards and gates installed or used by Lessee shall be cleaned, maintained, repaired, and/or replaced as needed, by Lessee, at its sole cost and expense.

All pipelines, flow lines, power lines, and other lines which Lessee may place on cultivated land shall be buried so that the top of the line is more than 36 inches below the surface of the ground. All lines laid on uncultivated land shall be buried 24 inches beneath the surface of the ground.

All drill sites, well locations and other portions of the surface of the lease premises shall be kept free of weeds, noxious vegetation, and debris generated by or resulting from Lessee's operations. While debris may be temporarily stored in pits, Lessee shall not leave, abandon, or cover over any debris at the termination of operations or this Lease, but shall remove all of it from the lease premises.

Lessee shall pay Lessor for all damages caused by operations to the lands, growing crops, and any and all improvements located on the leased premises, and such payment shall be on the basis of \$2,000, and \$500 per location of a tank battery, provided, however payments shall not be limited to the above amount(s) in the event that excessive and unreasonable damages caused in the drilling of any well or location for a tank battery shall be considered unreasonable and excessive.

All surface pits constructed by Lessee during operations on the Lease shall be lined with plastic to prevent contamination of any and all waters in, on, and under the lease premises.

Lessee shall after completion or abandonment of any well, remove the contents of and level and fill all pits in such a manner that the top soil is on the surface of the filled pits. Lessee agrees to restore surface to, as near as reasonably possible, its original condition prior to drilling.

Signed for identification purposes only.

Bruce Davidson  
Bruce Davidson  
Aka Bruce I. Davidson

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



Phone: 316-337-6200  
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<http://kcc.ks.gov/>

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

Sam Brownback, Governor

August 29, 2016

Charles A. Crawford  
C&M Exploration, LLC  
PO BOX 14331  
TULSA, OK 74159

Re: Haul-Off Pit Application  
Rachel Davidson 31-1  
Sec.31-27S-11W  
Pratt County, Kansas

Dear Charles A. Crawford:

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 within 72 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.