

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1348404

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): ____ - ____ - ____ - ____ Sec. ____ Twp. ____ R. ____ <input type="checkbox"/> East <input type="checkbox"/> West ____ Feet from <input type="checkbox"/> North / <input type="checkbox"/> South Line of Section ____ Feet from <input type="checkbox"/> East / <input type="checkbox"/> West Line of Section ____ County	
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.	
Submitted Electronically			

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.

TEMPORARY SURFACE USE AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of March, 2017 by and between Donnie L. Pound and Debra R. Pound, husband and wife, as Grantors and Dixon Operating Company, LLC, as Grantee for the right to construct and utilize two remote reserve pits along with all rights of ingress and egress to said pits for the purposes of the drilling and completing the Siefkes #1 OWWO, located in the NW/4 of Section 34, Township 22 South, Range 12 West, Stafford County, Kansas (hereinafter known as the "well").

Said temporary surface use agreement will cover a mutually agreed location situated in Stafford County, Kansas as follows:



Southwest Quarter (SE/4) of Section 34, Township 22 South, Range 12 West of the 6th P. M.

NOW, THEREFORE, for and in consideration of the mutual covenants herein to be performed, and One Dollar (\$1.00) in hand paid, and other good and valuable considerations, receipt and sufficiency whereof is hereby acknowledged, the parties agree as follows:

1. Grantors do hereby grant unto Grantee the right of ingress and egress over, through and across said Lands reasonably necessary for the construction, operation and maintenance of two remote reserve pits.
2. Grantee agrees the term of this agreement shall be for the length of time necessary for the drilling and completion of the above described well. At such time as operations cease and the pits have been properly dried, the Grantee shall close the pits in a timely manner and in accordance with KCC regulations.
3. Grantee agrees to reseed the pit location as necessary to return the location back to its original condition as nearly is practicable.
4. This Agreement shall be governed by and construed in accordance with the law of the State of Kansas.
5. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof.
6. This Agreement may be executed in any number of counterparts with the same effect as if all parties had executed the same copy.

IN WITNESS WHEREOF, this Agreement is executed on the 24th day of March, 2017, but shall be effective as of the Effective Date herein.

GRANTORS:

By:  By: 
Donnie L. Pound Debra R. Pound

GRANTEE:
Dixon Operating Company, LLC

By: 
Micheal W. Dixon - President

ACKNOWLEDGEMENTS

STATE OF KANSAS)
)ss
COUNTY STAFFORD)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 24th day of March, 2017, personally appeared **Donnie L. Pound and Debra R. Pound, husband and wife**, 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 his free and voluntary act and deed for the uses and purposes therein set forth.

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



Courtney Winter
Notary Public

STATE OF KANSAS)
)ss
COUNTY SEDGWICK)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 24th day of March 2017, personally appeared Micheal W. Dixon, 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 his free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires: 3-17-18

Micheal W. Dixon
Notary Public



EXTENSION OF OIL AND GAS LEASE

WHEREAS, HOP Energies, LLC is the owner and holder of an oil and gas lease on the following described land in **STAFFORD** County, State of KANSAS.

↳ Township 22 South, Range 12 West
Section 34: SE/4

↳ Township 23 South, Range 12 West
Section 3: N/2

of Section XXX, Township XXX, Range XXX and recorded in Book 225, Page 618 and extended by option payment recorded at Book 231, Page 319. of the Records of said County, and

WHEREAS, said lease expires in the absence of drilling operations on **August 18th, 2013** 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 \$10.00 and more Dollars, in hand paid, the receipt whereof is hereby acknowledged, does hereby agree; that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term had been originally expressed in such lease, for a period of One (1) year(s) 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 or said lease as modified, if any modification thereof may have been heretofore executed; that no delay rental is due and payable on **August 18th, 2013** under the terms of this extension; and that all previous rentals due under the terms of said lease have been timely and properly paid.

IN WITNESS WHEREOF, this instrument is signed on this the 6th day of February, 2013.

Donnie Lee Pound
Donnie Lee Pound

Debra R. Pound
Debra R. Pound

STATE of: **KANSAS**

COUNTY of: **STAFFORD**

ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 6th day of February, 2013, personally appeared **Donnie Lee Pound and Debra R. Pound, his wife**, to me personally known to be the identical person(s) who executed the within 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 my hand and official seal the day and year last above written.

My commission expires:

Bret C. Turner
Bret C. Turner, Notary Public



ASSIGNMENT OF OIL AND GAS LEASE(S)

KNOW ALL MEN BY THESE PRESENTS

THAT, the undersigned, **HOP Energies, LLC**, hereinafter called Assignor, for and in consideration of One Dollar (\$1.00), the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set

Over unto: DIXON ENERGY, INC.

Hereinafter called Assignee, all right, title and interest in and to those certain oil and gas leases, all located in **Stafford County, Kansas** which said leases are listed and shown on Exhibit "A" attached hereto and made a part hereof 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 leases, free and clear from all liens, encumbrances or adverse claims; That said leases are valid and subsisting leases 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 10th day of May, 2013

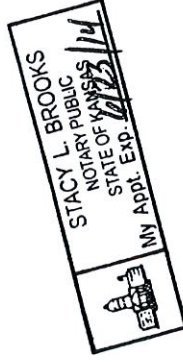
HOP Energies, LLC


BY 
Daniel F. Brooks, Managing Member

**STATE OF KANSAS
COUTNY OF SEDGWICK**

The foregoing instrument was acknowledged before me this 10th day of May 2013, by Daniel F. Brooks, Managing Member of HOP Energies, LLC.

My commission expires: 06/23/2014




Notary
Stacy L. Brooks

Lessor	Lessee	Lease Date	Lease Expiration	Description	Sec.	Twp.	Rng.	County	Gross acres	Recording Book/Page
Shercan S. Garrison and John A. Garrison, wife and husband	HOP Energies, LLC	12/28/12	12/28/15	NE/4	34	22S	12W	Stafford-KS	160.000	235/779
Joshua Gooden and Janeen Gooden, husband and wife	HOP Energies, LLC	12/20/12	12/20/15	SE/4	27	22S	12W	Stafford-KS	160.000	235/777
Craig Fischer, a single person	HOP Energies, LLC	12/29/12	12/29/15	NW/4	24	22S	13W	Stafford-KS	160.000	235/785
Jim S. Cain and Robin A. Cain, husband and wife	HOP Energies, LLC	1/2/13	1/2/16	SW/4	21	23S	12W	Stafford-KS	160.000	235/783
Shirley A. Dale, a single person	HOP Energies, LLC	1/3/13	1/3/18	A tract in the SW/4 beginning in the NW/CornerSW/4 thence South 660', thence East 1,320', thence North 660, thence West 1,320', to the POB, totaling 19.3 acres.	10	23S	12W	Stafford-KS	19.300	235/781
Nathan A. Gooden and Jennifer D. Godden, husband and wife	HOP Energies, LLC	1/8/13	1/8/16	SE/4	27	22S	12W	Stafford-KS	160.000	236/369
Tiffany M. Marshall and Justin L. Marshall, wife and husband	HOP Energies, LLC	1/8/13	1/8/16	SE/4	27	22S	12W	Stafford-KS	160.000	236/267
Mary Ann Heyen, a single person	HOP Energies, LLC	1/23/13	1/23/16	S/2N/2SE/4 and S/2SE/4	15	23S	12W	Stafford-KS	120.000	236/271
George Bergen Jr., a single person	HOP Energies, LLC	1/25/13	1/25/16	SW/4	6	23S	12W	Stafford-KS	160.000	236/469
Justin L. Gooden, a married man dealing with his sole and separate property	HOP Energies, LLC	1/25/13	1/25/16	SE/4	27	22S	12W	Stafford-KS	160.000	236/645
Rodney J. Mueller, a single man	HOP Energies, LLC	1/24/13	1/24/16	South 122.03 acres in the SW/4	30	22S	12W	Stafford-KS	122.030	236/467
Stan W. Hildebrand and Brenda D. Hildebrand, husband and wife	HOP Energies, LLC	1/31/13	1/31/18	SW/4	13	23S	12W	Stafford-KS	160.000	236/652
Donnie Lee Pound and Debra R. Pound, husband and wife	HOP Energies, LLC	2/6/2013 from 8/18/2013	8/18/14	SE/4	34	22S	12W	Stafford-KS	160.000	236/649
				N/2	3	23S	12W	Stafford-KS	320.000	
Dorothy Bliss, a widow	HOP Energies, LLC	2/6/13	2/6/16	SW4	2	23S	13W	Stafford-KS	160.000	236/661
Dorothy Bliss, a widow	HOP Energies, LLC	2/6/13	2/6/16	SE/4	31	23S	12W	Stafford-KS	160.000	236/657
Keva R. Farney, Trustee of the Donna M. Whitehouse Irrevocable Trust, dated May 5, 2012	HOP Energies, LLC	2/8/13	2/8/16	SW/4, except a tract described as follows: commencing at the SW/corner of Section 24, thence on an assumed bearing of North, along the West line of the SW/4 of said section, a distance of 1,320' to the POB of the land to be described; thence continuing on a bearing of North, along the West line of the SW/4 of said section, a distance of 960'; thence on a bearing of East a distance of 500.00'; thence on a bearing of South a distance of 960.00'; thence on a bearing of West a distance of 500.00' to the POB totaling 15.94 acres. AND	24	23S	12W	Stafford-KS	144.060	236/654
				NE/4NE/4	26	23S	12W	Stafford-KS	40.000	

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



Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

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

Sam Brownback, Governor

March 28, 2017

TJ Dixon
Dixon Operating Company, LLC
8100 E. 22ND ST N
BLDG 300, SUITE 200
WICHITA, KS 67226

Re: Drilling Pit Application
Siefkes SWD OWWO 1
Sec.34-22S-12W
Stafford County, Kansas

Dear TJ Dixon:

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) 682-7933 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) 682-7933.