

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
May 2010
Form must be Typed

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.	
<h2>Submitted Electronically</h2>			

KCC OFFICE USE ONLY			
		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS	
Date Received: _____	Permit Number: _____	Permit Date: _____	Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> 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.

OWNER/TENANT DAMAGE AGREEMENT

Each of the undersigned acknowledges, by signature(s) hereon, it is the Owner(s) and/or Tenant(s), as the case may be, of the following described real property (the "Lands") located in Haskell County, State of Kansas, to wit:

Township: 27; Range: 33,
Section: 28; Quarter: SW/4

Project and/or Well Name: Rent 4 acres for drilling site location & reserve pit in NE/corner of SW/4.

The undersigned acknowledges and agrees that Merit Energy Company, LLC ("Merit") has the right to conduct the Project and all related oil and gas operations on the Lands pursuant to certain oil and gas lease(s) and agreements covering the Lands, which the undersigned hereby ratifies and confirms in all respects. The undersigned and Merit desire to minimize any surface damage to the Lands and reach an agreement regarding any surface damages that may occur in connection with Merit's operations. Such operations shall include, without limitation, any actions necessary to (a) conduct the Project (including ingress and egress of the Lands), (b) access, construct, operate, install, maintain or repair equipment related to the Project, or (c) otherwise conduct oil and gas operations related to the Project. The undersigned claim(s) that such operations have, or may have, damaged or disturbed portions of the surface of the Lands. The undersigned accepts the consideration set forth below as a complete and mutual compromise, settlement and release of any and all claims arising from the foregoing operations. Issuance of a check by Merit to the undersigned in the amounts set forth below shall evidence Merit's agreement to this compromise. Unless otherwise stated herein, all payments shall be made directly to the Owner(s) identified herein, and, if so, it is the responsibility of the Owner(s) to compensate the Tenant(s) as their interests require.

PAYMENTS SHALL BE MADE AS FOLLOWS:

Item	PERCENTAGES OR DOLLAR AMOUNTS	
	Owner(s)	Tenant(s)
Well Site location and reserve pit / 4 acres @ \$2,000/ac @ 1 year	██████████ \$2,000.00 ██████████	
Tank Battery Site /	N/A	
Flow line =	N/A	
Crop Damages / any standing	1/3	2/3
Other / \$ _____ amount		
TOTAL: \$8,000.00		

The undersigned agree(s) that any payments made by Merit pursuant to the terms hereof are neither an admission by Merit that (a) such property is or will be damaged, nor (b) Merit is responsible for any such payments pursuant to its oil and gas leases or other agreements. Except for the operations covered hereby, this Damage Agreement shall in no way act as a waiver of any conditions, obligations or rights of any prior agreement or grant, and any rights of such former agreement or grant are deemed to be in full force and effect.

CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER (TIN):

	Owner(s)	Tenant(s)
Name:	Kendall N. Hodgson Trust Melinda A. Hodgson Trust	Blake Nichols
Address:	1180 28 th Road	354 Road RR
City, State ZIP:	Little River, Kansas 67457	Sublette, Kansas 67877
SSN or Tax ID Number:	514 48-9246-513-54-9980	
Signature & Date	<i>Melinda A. Hodgson Trust</i> <i>Melinda A. Hodgson Trust</i>	

Merit AFE #: Daniels 1-28 Received on behalf of Merit by: _____

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



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

Susan K. Duffy, Chair
Shari Feist Albrecht, Commissioner
Dwight D. Keen, Commissioner

Laura Kelly, Governor

January 29, 2020

IDANIA MEDINA
Merit Energy Company, LLC
13727 NOEL ROAD, SUITE 1200
DALLAS, TX 75240-7362

Re: Haul-Off Pit Application
Daniels 1-28
Sec.28-27S-33W
Haskell County, Kansas

Dear IDANIA MEDINA:

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) 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.