KOLAR Document ID: 1532333

Kansas Corporation Commission Oil & Gas Conservation Division

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

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|--|--------------------------------|--|--|--|--|--|
| Operator Name: | | | License Number: | | | |
| Operator Address: | | | | | | |
| Contact Person: | | | Phone Number: | | | |
| Lease Name & Well No.: | | | Pit Location (QQQQ): | | | |
| Type of Pit: | Pit is: | | <u> </u> | | | |
| Emergency Pit Burn Pit | Proposed Existing | | SecTwp R | | | |
| Settling Pit Drilling Pit | If Existing, date constructed: | | Feet from North / South Line of Section | | | |
| Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) | Pit capacity: | | Feet from East / West Line of Section | | | |
| (II WI Supply ALTINO. OF Teal Diffied) | (bbls | | County | | | |
| Is the pit located in a Sensitive Ground Water A | Area? Yes No | | Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) | | | |
| Is the bottom below ground level? | Artificial Liner? | | How is the pit lined if a plastic liner is not used? | | | |
| Yes No | Yes N | lo | | | | |
| | g pits):Length (feet) | | Width (feet) N/A: Steel Pits | | | |
| Depth fro | m ground level to dee | pest point: | (feet) No Pit | | | |
| material, thickness and installation procedure. | | | ncluding any special monitoring. | | | |
| Distance to nearest water well within one-mile of pit: | | Depth to shallowest fresh water feet. Source of information: | | | | |
| feet Depth of water wellfeet | | measured | ed | | | |
| Emergency, Settling and Burn Pits ONLY: | | Drilling, Workover and Haul-Off Pits ONLY: | | | | |
| Producing Formation: | | Type of material utilized in drilling/workover: | | | | |
| Number of producing wells on lease: | | 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 be closed within 365 days of spud date. | | | | |
| | - | | | | | |
| Submitted Electronically | | | | | | |
| KCC OFFICE USE ONLY Liner Steel Pit RFAC RFAS | | | | | | |
| Date Received: Permit Numl | ber: | Permi | it Date: Lease Inspection: Yes No | | | |

Kansas Corporation Commission Oil & Gas Conservation Division

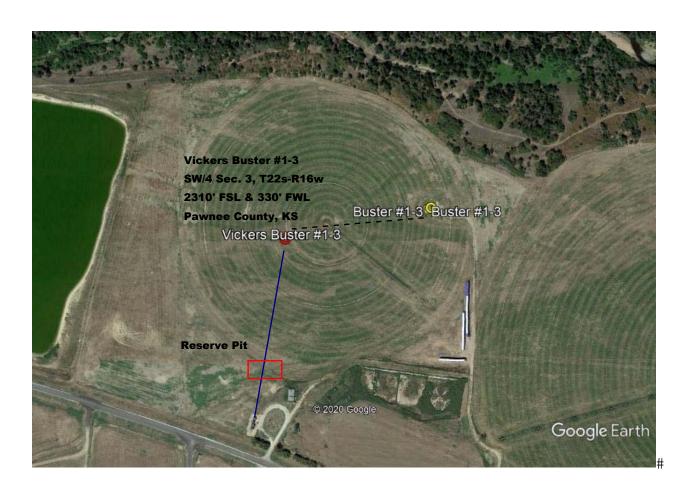
HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

| 82-3-607. | DISDOSVI | VE DIKE | VND | PIT CONTENTS. | |
|-----------|----------|---------|-----|---------------|--|
| 0Z-J-DU/. | DISPUSAL | OF DIVE | ANU | PII 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: \square Yes \square No |
|--|
| Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: \square Yes \square No If yes, written permission from the land owner must be obtained. Attach writter 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: \square Yes \square No If yes, written permission from the land owner must be obtained. Attack 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. |



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



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

Laura Kelly, Governor

Susan K. Duffy, Chair Dwight D. Keen, Commissioner Andrew J. French, Commissioner

October 07, 2020

Chris Gottschalk Shelby Resources LLC 3700 Quebec Street Suite 100 PMB 376 DENVER, CO 80207-1639

Re: Haul-off Pit Application Vickers-Buster #1-3 Sec.03-22S-16W Pawnee County, Kansas

Dear Chris Gottschalk:

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.