

**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.

**TANK BATTERY AGREEMENT AND
WATER PIT WAIVER AGREEMENT**

WHEREAS, GRAND MESA OPERATING COMPANY (GMOC), owns and operates a producing oil and gas lease (Schweizer 3-35) located on the Northeast Quarter (NE/4) of Section Thirty-five (35) Township Twenty-two (22) South, Range Ten (10) West, Reno County, Kansas

AND

WHEREAS, SCHWEIZER DAIRY, INC. (Schweizer) owns the Northwest Quarter (NW/4) of Section Thirty-five (35) Township Twenty-two (22) South, Range Ten (10) West, Reno County, Kansas

AND

WHEREAS, GMOC wishes to have a right-of-way in, under, across and through Schweizer's land for the purpose of constructing, installing, maintaining, replacing, and operating a Tank Battery, ~~Lead Line, and appurtenances thereto, on, under and through~~ Schweizer's land.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, it is stipulated and agreed between the parties hereto as follows:

1. Schweizer agrees to allow GMOC a Right-of-Way for an existing oil and gas line and a water disposal line (as presently exists) under the Northwest Quarter (NW/4) of Section 35, Township 22 South, Range 10 West of the 6th P.M., Reno County, Kansas for the sum of _____. This right-of-way is given to allow GMOC the right to use the present pipe line under the NW/4 of 35-22-10 from a currently producing oil and gas well operated by GMOC on the adjoining property in the Northeast Quarter (NE/4) of 35-22-10, owned by Schweizer to a certain tank battery to be located on the Northwest Quarter (NW/4), as well as the slush pit, also located on the Northwest Quarter (NW/4). This right-of-way is for purposes of constructing, installing, maintaining, and replacing these pipe lines, together with ingress and egress. The lines and all appurtenances will be kept in good repair so as to not cause damage to the property and not to interfere with Schweizer's use of the property. GMOC agrees not to allow trash, weeds, unused equipment, etc. on the leased property. GMOC agrees to bury all lines below plow depth, and not to enter the premises with equipment and vehicles that may leak or cause damage to the property, nor to enter during wet

conditions that would also cause damage to the property. GMOC agrees to fence the pit, tank batteries, and other improvements to keep lessor's cattle out of that area.

2. Schweizer also agrees to grant GMOC the right to maintain the tank batteries already in existence on the Northwest Quarter (NW/4) in the southwest corner thereof. The annual payment amount for the tank batteries shall be _____, to be paid at the execution of this agreement. The tank battery location shall be confined and limited to the smallest amount necessary for its use for tank batteries. The tank battery location shall be kept and maintained in such manner as to have as small of environmental impact as reasonably possible. Such tank batteries are to be used only by wells operated by GMOC on Schweizer property. GMOC agrees to remove the tank batteries and appurtenances and to reseed the native grasses when there is no further production and to restore the premises to its original condition and contour within six months of cessation of production, or as soon as reasonable possible.
3. Schweizer also agrees to grant GMOC the right to construct a drilling fluids pit on the Northwest Quarter (NW/4) of Section 35, Township 22 South, Range 10 West of the 6th P.M., Reno County, Kansas for the utilization by wells operated by GMOC on Schweizer property only. This pit shall be located where the former pit was located as nearly as possible and shall be no greater than 200 x 200' x 3'. The payment amount for the pit shall be _____, annually, to be paid at the execution _____ of _____ this agreement. Upon cessation of production from the Schweizer wells, GMOC agrees to fill and restore the pit to its original condition and to reseed the native grasses.
4. GMOC agrees to be liable for all damages caused by its operations to the above-described premises, including but not limited to, crops, personal property, ponds, improvements, grasses, soil, timber, water, and personal injury. GMOC agrees to indemnify and hold harmless Schweizer from all damages caused by its operations on the property, except for any damages cause by Schweizer. If Lessor grazes livestock on the leased premises, Lessee agrees to place cattle guards or fences around its leasehold operations and structures to keep the livestock out of such areas. Additionally, cattle guards shall be constructed and properly installed where lease roads enter the leased premises. Lessee shall repair any damage to the roadways on the leased

premises caused by Lessee. Upon notification of damage to the property GMOC will immediately use every reasonable means to clean up, replace, and restore the property to its previous condition and to pay for all such damage.

- 5. All of these improvements to be located on the Northwest Quarter (NW/4) of Section 35, Township 22 South, Range 10 West of the 6th P.M., Reno County, Kansas may be utilized by GMOC only and may not be assigned to any other person or entity without the written consent of Schweizer.
- 6. GMOC agrees to abide by all rules, regulations, and KCC orders with respect to these improvements.
- 7. This grant of right-of-way and tank battery and drilling fluids pit lease shall terminate upon cessation of production of Schweizer wells.

APPROVED BY:

SCHWEIZER DAIRY, INC.

GRAND MESA OPERATING COMPANY

BY: Thomas Schweizer

BY: Michael J. Reilly
MICHAEL J. REILLY, PRESIDENT

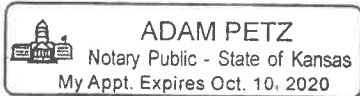
THOMAS SCHWEIZER

STATE OF KANSAS)
)SS:
COUNTY OF RICE)

Subscribed and sworn to before me by Schweizer Dairy Inc., by Thomas Schweizer, on this 6th day of August, 2018.

Adam Petz
Notary Public

My Appointment Expires:



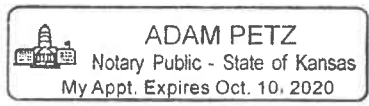
STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

Subscribed and sworn to before me by Grand Mesa Operating Company, by Michael J. Reilly, President, on this 7th day of August, 2018.



Notary Public

My Appointment Expires:



September 29, 2021

Michael J Reilly
Grand Mesa Operating Company
1700 N WATERFRONT PKWY BLDG 600
WICHITA, KS 67206-5514

Re: Haul-Off Pit Application
SCHWEIZER 4-35
Sec.35-22S-10W
Reno County, Kansas

Dear Michael J Reilly:

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 dimensions of 150' x 150' and no deeper than 3 feet. 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 96 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 (316) 337-7400 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 (316) 337-7400.