

**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.	
Submitted Electronically			

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.

AMENDMENT TO DECLARATION OF UNITIZATION AND RELEASE OF OIL AND GAS LEASE

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, under the terms of a certain Declaration of Unitization, executed by E. K. Edmiston, etal, dated June 1, 1979, recorded in Book 173 at Page 21, a certain Unit was designated, covering:

the East Half of the Northeast Quarter (E/2NE/4) of Section 7 and the West Half of the Northwest Quarter (W/2NW/4) of Section 8, all in Township 35 South, Range 12 West, Barber County, Kansas,

(the "Original Unitized Lands") as parts of the Oil and Gas Leases described on Exhibit A, attached hereto; and

WHEREAS the undersigned, being the Operator and a Working Interest holder of said Leases, has determined that production from the wells located on the Original Unitized Lands, does not include any production attributable to that certain Oil and Gas Lease recorded in Book 170 at Page 127, described as Lease No. 3 on Exhibit "A", attached hereto;

NOWHEREFORE, the undersigned hereby amends the Unit covering the Original Unitized Lands to remove and exclude the Oil and Gas Lease recorded in Book 170 at Page 127, and the lands covered thereby, described on Exhibit "A", resulting in an amended unit consisting of:

the East Half of the Northeast Quarter (E/2NE/4) of Section 7, and the West Half of the Northwest Quarter (W/2NW/4) of Section 8, EXCEPT for a tract: beginning at the Half Section line of Section Eight (8), 150 feet West of out lot 11 to the town of Hardtner, Kansas, thence West Forty (40) Rods, thence North Forty (40) Rods, thence East Forty (40) Rods, thence South Forty (40) Rods to the place of beginning all in Township 35 South, Range 12 West Barber County, Kansas (containing 150 acres, more or less), and

FURTHERMORE, the undersigned hereby releases all right title and interest in and to the Oil and Gas Lease recorded in Book 170 at Page 127, described on Exhibit "A".

Executed this 20 day January, 2022 but shall be effective for all purposes as of January 1, 2022 at 12:01 a.m. CST.

State of Kansas, Barber Co., SS
This instrument was filed for record on
the 24 day of January
2022 at 9:37 o'clock A. M., and
duly recorded in book 373 on page 342
Betty Swayden
Register of Deeds
Fees # 72.60

LOTUS OPERATING COMPANY, L.L.C.

By: [Signature]
Timothy D. Hellman, President



STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

This instrument was acknowledged before me on the 20th day of January, 2022, by Timothy D. Hellman, President of Lotus Operating Company, L.L.C., for the uses and purposes set forth above.

Colleen M. Powell

Notary Public

My appointment expires: 6-2-2025

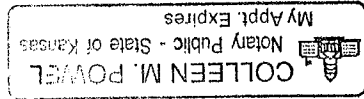


EXHIBIT "A"

AMENDMENT TO DECLARATION OF UNITIZATION AND RELEASE OF OIL AND GAS LEASE

1. Oil and Gas Lease, dated October 29, 1964, from Forrest B. Ohlson, a single man to William G. Iversen, recorded in Book 117, Page 513, covering the following lands to wit:

Parcel 1. The West Half of the Northeast Quarter of the Northwest Quarter (W/2NE/4NW/4) and the Northwest Quarter of the Northwest Quarter (NW/4NW/4) and the Southwest Quarter of the Northwest Quarter (SW/4NW/4) all in Section 8, Township 35 South, Range 12 West of the 6th P.M., Barber County, Kansas, except beginning on the Half Section line 150 feet West of Out-lot No. 11 to the Town of Hardtner, Kansas, thence West 40 rods, thence North 40 rods, thence East 40 rods, thence South 40 rods to the place of beginning

Parcel 2. A tract of land in the Northwest Quarter of the Northeast Quarter (NW/4NE/4) and the Northeast Quarter of the Northwest Quarter (NE/4NW/4) of Section 7, Township 35 South, Range 12 West of the 6th P.M., Barber County, Kansas, described as follows: Beginning at a point 310 feet West of the North quarter corner of Section 7-35S-12W, thence East of the Section line between Sections 6 and 7 in Township 35 South, Range 12 West a distance of 1657 feet to the Northwest corner of the Northeast Quarter of the Northeast Quarter (NE/4NE/4) of said Section 7, thence South and whose included angle is 88° 12' a distance of 1334 feet, thence West whose included angle is 89° 51' a distance of 637 feet, thence in a Northwesterly direction whose included angle is 118° 54' a distance of 785 feet, thence in a Westerly direction whose excluded angle is 129° 43' a distance of 295 feet, thence in a Northwesterly direction whose included angle is 163° 35' a distance of 370 feet, thence in a Northerly direction whose included angle is 119° 15' a distance of 411 feet to the place of beginning and whose included angle is 94° 3'.

Parcel 3. The East Half of the Northeast Quarter (E/2NE/4) of Section 7, Township 35 South, Range 12 West, Barber County, Kansas, except the following tract, to-wit: Beginning at the Southwest corner of the Southeast Quarter of the Northeast Quarter (SE/4NE/4) of Section 7-35S-12W, thence North 1301 feet, thence South 89° East a distance of 608 feet, thence South 1° 10' East a distance of 1294 feet to the center line of Section 7, thence West on the Half Section line 648 feet to the place of beginning.

2. Oil and Gas Lease, dated October 29, 1964, from Flora O. Haskard and Horatio R. Haskard, her husband to William G. Iversen, recorded in Book 117, Page 517, covering the following lands to wit:

Parcel 1. The West Half of the Northeast Quarter (W/2NE/4) and the Northwest Quarter (NW/4) all in Section 7, Township 35 South, Range 12 West, Barber County, Kansas, except a parcel of land in the Northwest Quarter of the Northeast Quarter (NW/4NE/4) and the Northeast Quarter of the Northwest Quarter (NE/4NW/4) in said Section 7-35S-12W, which said tract is described as follows, to-wit: Beginning at a point 310 feet West of the North quarter corner of Section 7-

35S-12W, thence East on the Section line between Sections 6 and 7-35S-12W a distance of 1657 feet to the Northwest corner of the Northeast Quarter of the Northeast Quarter (NE/4NE/4) of said Section 7, thence South and whose included angle is $88^{\circ} 12'$ a distance of 1334 feet, thence West whose included angle is $89^{\circ} 51'$ a distance of 637 feet, thence in a Northwesterly direction whose included angle is $118^{\circ}54'$ a distance of 785 feet, thence in a Westerly direction whose included angle is $129^{\circ} 43'$ a distance of 295 feet, thence in a Northwesterly direction whose included angle is $163^{\circ} 35'$ a distance of 370 feet, thence in a Northerly direction whose angle is $119^{\circ}15'$ a distance of 411 feet to the place of beginning and whose included angle is $94^{\circ} 3'$.

Parcel 2. The Northeast Quarter of Section 12, Township 35 South, Range 13 West of the 6th P.M., Barber County, Kansas.

Parcel 3. A parcel of land in the Northeast Quarter (NE/4) of Section 7, Township 35 South, Range 12 West of the 6th P.M., Barber County, Kansas, more particularly described as follows: Beginning at the Southwest corner of the Southeast Quarter of the Northeast Quarter (SE/4NE/4) of Section 7-35S-12W, thence North 1301 feet, thence South 89° East a distance of 608 feet, thence South $10^{\circ} 10'$ East a distance of 1294 feet, to the Center line of Section 7, thence West on the Half Section line 648 feet to the place of beginning,

3. Oil and Gas Lease, dated November 15, 1978, from Hazel A. Hubbard and Ernie E. Hubbard, her husband to Claud Houchin, recorded in Book 170, Page 127, covering the following lands to wit:

Beginning at the Half Section line of Section Eight (8), Township Thirty-five South (T35S), Range 12 West (R12W) Barber County, KS, 150 feet West of out lot 11 to the town of Hardtner, Kansas, thence West Forty (40) Rods, thence North Forty (40) Rods, thence East Forty (40) Rods, thence South Forty (40) Rods to the place of beginning (containing 10 acres).

TEMPORARY SURFACE USE AGREEMENT

THIS AGREEMENT, made and entered into this 23rd day of February, 2022 by and between Bradley Ohlson, as Grantor and Dixon Operating Co., LLC., as Grantee for the right to construct and utilize one remote reserve pit along with all rights of ingress and egress to said pits for the purposes of the drilling and completing the Ohlson C-4, located in the NE/4 of Section 7, Township 35 South, Range 12 West, Barber County, Kansas (hereinafter known as the "well").

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

Northwest Quarter (NW/4) of Section 8, Township 35 South, Range 12 West

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 as 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 23rd day of February, 2022, but shall be effective as of the Effective Date herein.

GRANTORS:

By: 
Bradley Ohlson

GRANTEE:
Dixon Operating Co., LLC.

By: 
~~Timothy Dixon~~ - VP of Operations

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



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

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

Laura Kelly, Governor

February 24, 2022

Timothy Dixon
Dixon Operating Company, LLC
8100 E. 22ND ST N BLDG 300, SUITE 200
WICHITA, KS 67226-2302

Re: Haul-Off Pit Application
Ohlson C 4
Sec.08-35S-12W
Barber County, Kansas

Dear Timothy 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 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.