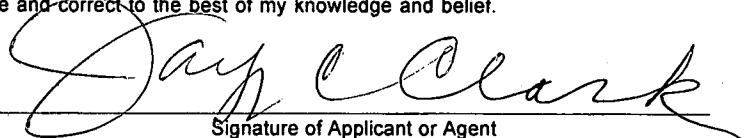


**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Paxco, Inc.		License Number: 8507
Operator Address: 8920 Peppertree Circle, Wichita, Ks. 67226		
Contact Person: Jay Clark		Phone Number: 316.634.1714
Lease Name & Well No.: Herrman #3		Pit Location (QQQQ): W/2 NW - NW - Sec. 12 Twp. 16 R. 18 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 750 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 330 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Rush 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 checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 60 (bbls)
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: N/A mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used? N/A
Pit dimensions (all but working pits): 20 Length (feet) 15 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. 6 mil plastic linear - laid in to prevent any soil saturation.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <div style="text-align: right;"> KANSAS CORPORATION COMMISSION JUL - 7 2009 RECEIVED </div>
Distance to nearest water well within one-mile of pit 2900 feet Depth of water well 450 feet		Depth to shallowest fresh water 60 feet. Source of information: <input type="checkbox"/> measured <input checked="" 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: Cement/Water Number of working pits to be utilized: 1 Abandonment procedure: Empty brine from pit and perform closure Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
7-5-09 Date		 Signature of Applicant or Agent

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
<div style="border: 2px solid red; padding: 2px; display: inline-block;">15-165-20770-00-00</div>				
Date Received: 7/7/09	Permit Number: 15-165-19007	Permit Date: 7/8/09	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	