

**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: QUANTUM OPERATING COMPANY		License Number: 32628 8
Operator Address: PO BOX 3029, DENVER, CO 80201		
Contact Person: EUGENE NICHOLS		Phone Number: 720 488 4942
Lease Name & Well No.: ATHERTON # 2		Pit Location (QQQQ): C SW SW
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 type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: 11-16-09 Pit capacity: 200 (bbls)	Sec. 5 Twp. 1 R. 26 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 660 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Decatur County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ 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?
Pit dimensions (all but working pits): <u>12</u> Length (feet) <u>16</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>8</u> (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. PLASTIC MATERIAL, APPROX 2 ML THICK. PLACED IN BY MAN POWER AND SECURED WITH DIRT		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. VISUAL <div style="text-align: right;">RECEIVED DEC 21 2009 KCC WICHITA</div>
Distance to nearest water well within one-mile of pit <u>NA</u> 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: <u>salt water</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>evaporate + backfill</u> 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. <u>12-18-2009</u> Date <u>Gary Nollen</u> Signature of Applicant or Agent		

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: <u>12-21-09</u>	Permit Number: <u>15-039-20407-0010</u>	Permit Date: <u>11-16-09</u>	Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	<i>✓ legal</i>

Operator & Address: Quantum Operating Company P.C. Box 3029, Denver Co. 80201-3029

Lic.# 32628 Contact Person: Eugene Michold Phone # 720-488-4942

Lease Name & Well # Osherton #2 API # or Spud Date: 2-16-78

Location: C-SW-SW 1/4 Sec: 5 Twp: 1 Rge: 26 E 10 County: Decatur

660 feet from the North (South) Line, 4620 feet from the (East) / West Line of SE 1/4 section.

Purpose of Pit: Work-over Depth to Ground Water: _____

Nature of Fluids: Brine, Crude oil, cement

Construction: dist Width: 12', Length: 16', Depth: 8' bbl capacity: 120

Liner Specifications: Plastic

This lease produces from the following formation(s): Lansing

Date of Verbal Permit: 11-16-09, KCC Agent: Darrel Dipman

To save paperwork, copy this form after completion of the first 11 lines. Use copy for closure form.

Dates Pit Used: From _____ To _____ Date Water Hauled: _____

Proposed Closing Procedure / Actual Closure information: _____

Pit must be closed in _____ days.

(signature)

(date)

***** KCC USE ONLY *****

Groundwater Sensitive Area YES () NO (); Field Inspection Date: _____, Agent: _____

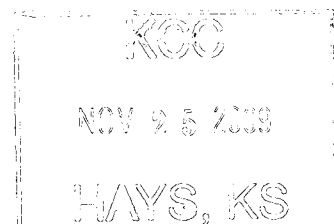
Chloride of Water in Pit: _____, Date Collected: _____

_____ feet to nearest Water Well. Depth of Water Well: _____, Application Tabulated

RECEIVED

NOV 30 2009

KCC WICHITA





Mark Parkinson, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

December 8, 2009

Quantum Operating Company
PO Box 3029
Denver, CO 80201

RE: Verbal on Workover Pit
Atherton Lease Well No. 2
SW/4 Sec. 05-01S-26W
Decatur County, Kansas

Dear Sir or Madam:

According to our files we do not have an application for the above referenced workover pit, district staff gave verbal approval on 11/16/2009. According to K.A.R. 82-600(b) workover pits may be permitted through verbal authorization from the appropriate district office subject to the filing of a surface pond application within five days after the verbal authorization.

Please complete surface pond application form (CDP-1) and return to this office within 14 days of the date of this letter. If this pit has been closed please complete the closure of surface pit form (CDP-4). Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

If you have any questions please feel free to call me at (316) 337-6243.

Sincerely,

A handwritten signature in black ink that reads "Kathy Haynes". The signature is written in a cursive style with a loop at the end of the last name.

Kathy Haynes
Environmental Protection and Remediation Department