

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1034865

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Daystar Petroleum, Inc.			License Number: 30931			
Operator Address: 1321 W 93 N PO			BOX 360	VALLEY CENTER KS	67147	
Contact Person: Chuck Schmidt			Phone Number: 316-755-3523			
Lease Name & Well No.: PERRY B			Pit Location (QQQQ):			
Type of Pit:	Pit is:					
Emergency Pit Burn Pit	Proposed Existing		Sec. 30 Twp. 18 R. 6 East West			
Settling Pit Drilling Pit	If Existing, date constructed:		Feet from North / South Line of Section			
Workover Pit Haul-Off Pit	Pit capacity:	Pit capacity:		Feet from East / West Line of Section		
(If WP Supply API No. or Year Drilled) 15-159-21193-00-00	80 (bbls)		Rice			
Is the pit located in a Sensitive Ground Water Area? XYes No		No	Chloride concentration: mg/l			
			(For Emergency Pits and Settling Pits only)			
Is the bottom below ground level? Yes No	Artificial Liner? Yes No		How is the pit lined if a plastic liner is not used?			
Pit dimensions (all but working pits): 10 Length (feet) 8 Width (feet) N/A: Steel Pits						
Depth from ground level to deepest point:6 (feet) No Pit						
			cedures for periodic maintenance and determining including any special monitoring.			
Poly liner - 6 mil, draped in pit, over lapped		Monitor pit daily for loss.				
on surface.						
Distance to nearest water well within one-mile of pit			Depth to shallowest fresh waterfeet. Source of information:			
1834feet Depth of water well30feet		measured well owner electric log KDWR				
Emergency, Settling and Burn Pits ONLY:	Drilling, Workover and Haul-Off Pits ONLY:					
Producing Formation: Type of			be of material utilized in drilling/workover: Fresh water			
Number of producing wells on lease: Nu			Number of working pits to be utilized:1			
Barrels of fluid produced daily:		Abandonment procedure: Empty and back fill				
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 Steel Pit RFAC RFAS						
45 450 04400 00 00						
Date Received: 01/28/2010 Permit Number: 15-159-21193-00-00 Permit Date: 01/28/2010 Lease Inspection: X Yes No						



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

January 28, 2010

Chuck Schmidt
Daystar Petroleum, Inc.
1321 W 93 N
PO BOX 360
VALLEY CENTER, KS 67147-9136

Re: Drilling Pit Application PERRY B 1 Sec.30-18S-06W Rice County, Kansas

Dear Chuck Schmidt:

District staff has inspected the above referenced location and has determined that the Workover pit shall be constructed <u>without slots</u>, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the Workover pit within 48 hours of completion of drilling operations.

NO completion fluids or non-exempt wastes shall be placed in the Workover pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through SOLAR within 30 days of fluid removal.

If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.