

**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: Diversified Operating Corporation		License Number: 33060	
Operator Address: 15000 W 6th Ave #102		Golden CO 80401	
Contact Person: Terry Cammon		Phone Number: 303 384-9611	
Lease Name & Well No.: Smith 3-16-10		Pit Location (QQQQ): _____ - _____ - SE - NE Sec. 3 Twp. 31 R. 21 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 3,422 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1,157 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Clark 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 type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit <i>(If W/P Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 5,000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		How is the pit lined if a plastic liner is not used? Natural Clay Lining	
Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet)		<input checked="" type="checkbox"/> N/A: Steel Pits	
Depth from ground level to deepest point: 6 (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.	
		RECEIVED KANSAS CORPORATION COMMISSION APR 17 2008 CONSERVATION DIVISION WICHITA, KS	
Distance to nearest water well within one-mile of pit 4250 feet Depth of water well 120 feet		Depth to shallowest fresh water 120 73 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" 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: Fresh Water Gel Number of working pits to be utilized: 0 Abandonment procedure: Allow reserve pit to dry onsite, land spread, Recontour and Revegitate 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.			
4/15/08 Date		 Signature of Applicant or Agent	

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input checked="" type="checkbox"/>	RFAS <input checked="" type="checkbox"/>
Date Received: 4/17/08	Permit Number: 15-025-21439	Permit Date: 4/22/08	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Diversified Operating Corporation

15000 West 6th Avenue, Suite 102

Golden, Colorado 80401

Phone : 303 384-9611

Fax : 303 384-9612

April 15, 2008

Kansas Corporation Commission

Ms Kathy Haynes

130 S Market Room 2078

Wichita, KS 67202

RE: Smith 3-16-10 Clark County Kansas

API 15-025-21439

Dear Ms. Haynes:

Enclosed is a Haul Off Pit application for the above mentioned well. This pit was located with the help of Jerry Stapleton and is in an area that will protect the ground water.

It is planned to build this location in the next week and move a drilling rig in by the end of the week dated April 24th thru 27th.

Call if you need anything else.

Sincerely



Bill Warburton

RECEIVED
KANSAS CORPORATION COMMISSION

APR 17 2008

CONSERVATION DIVISION
WICHITA, KS



*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

April 22, 2008

Diversified Operating Corporation
15000 W 6th Ave #102
Golden, CO 80401

RE: Haul-Off Pit Application
Smith Lease Well No. 3-16-10
NE/4 Sec. 03-31S-21W
Clark County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that the haul-off pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and **lined with native clay**. 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 as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

A handwritten signature in black ink that appears to read "Kathy Haynes".

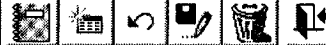
Kathy Haynes
Environmental Protection and Remediation Department

cc: district

Well Master Data

Search T-1's / Letters

Get Cnty
From Local



General Loc

API Well # 15-025-21439-00-00 Well SMITH 3-16-10 3-31S-21W SWSESE, 612 FSL 727 FEL

Operator 33060 Diversified Operating Corp. A Lgy Oper _____ Cty CLARK

Work Oper _____ C-1 Oper Diversified Operating Corp. Dist _____

SURFACE LOCATION Slant

St Cnty County

15 25 CLARK

Wellhead Lat 37.367981 Long -99.582092

Sec Township Range Spot WH PM

3 31 S 21 W SWSESE

Feet 612 Frm N/S S Feet 727 Frm E/W E

Additional Sectional Descr.

GPS Lat: _____ GPS Long: _____

GPS Dt: _____ By: _____

SGWA Irregular Section

E KB
L DF
E Cr 2201
V Srl

Copy Surface Location to Target Locatn

BOTTOM HOLE (TARGET) LOCATION

Lat _____ Long _____ Brng _____ Dist _____

Sec Township Range BH PM

_____ S _____

Feet _____ Frm N/S _____ Feet _____ Frm E/W _____

RBDMS presumes that bottom hole (Target) location and wellhead (Surface) location are the same for vertical wells.

LOCATION PER UIC DOCKET ORDER/PERMIT

Sec Township Range Spot

_____ S _____

Feet _____ Frm N/S _____ Feet _____ Frm E/W _____

Lat _____ Long _____

Copy Surface Loc to UIC Loc