

**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: <b>KC Resources, Inc.</b>		License Number: <b>3880</b>
Operator Address: <b>P.O. Box 6749</b>		
Contact Person: <b>Jim Kraft</b>		Phone Number: <b>620-388-2356</b>
Lease Name & Well No.: <b>Miles B-5</b>		Pit Location (QQQQ): <b>NE - SE - SE -</b> Sec. <u>19</u> Twp. <u>27</u> R. <u>10</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>990</u> Feet from <input type="checkbox"/> North <input checked="" type="checkbox"/> South Line of Section <u>440</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>KINGMAN</b> 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 type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: <u>9/29/2009</u> Pit capacity: <u>20</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? <b>no liner required</b>
Pit dimensions (all but working pits): <u>2</u> Length (feet) <u>15</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (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. <b>daily monitoring &amp; emptying</b>
Distance to nearest water well within one-mile of pit <u>660</u> feet    Depth of water well <u>72</u> feet		Depth to shallowest fresh water <u>100' 34"</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> Producing Formation: <u>Lansing-K.C.</u> Number of producing wells on lease: <u>5</u> Barrels of fluid produced daily: <u>10</u> Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>fresh water</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>pit was drained, and was closed on 10/1/09</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>10-2-09</u> Date		<b>RECEIVED</b> <b>OCT 05 2009</b> <b>KCC WICHITA</b>

<b>KCC OFFICE USE ONLY</b>		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: <u>10/5/09</u>	Permit Number: <u>15-095-01616-0002</u>	Permit Date: <u>9/30/09</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>Legal</i>

**WORKOVER PIT APPLICATION**  
**VERBAL AUTHORIZATION**

DATE: 9-30-09 TIME: \_\_\_\_\_  
OPERATOR: KC CONTACT PERSON: Lia Kraft  
LEASE NAME: Miles B-5  
SEC. 19 TWP. 27 RANGE 10 E W COUNTY: Ka

CONSTRUCTION:

SIZE: WIDTH \_\_\_\_\_ LENGTH \_\_\_\_\_ DEPTH \_\_\_\_\_  
ESTIMATED CAPACITY 80 BBLs

EST. DEPTH TO GROUNDWATER (if known): unk.  
TYPE OF FLUID:  Saltwater \_\_\_\_\_ Workover Fluids  
\_\_\_\_\_ Cement \_\_\_\_\_ Drilling Mud/Cuttings

DOES OPERATOR PLAN TO LINE PIT: \_\_\_\_\_ YES  NO  
ESTIMATED TIME BEFORE PIT WILL BE CLOSED: 2 Days  
ANY KNOWN WATER WELLS WITHIN 1/4 MILE OF PIT: \_\_\_\_\_ YES  NO

K.C.C. INFORMATION: IS PIT IN SGA? \_\_\_\_\_ YES \_\_\_\_\_ NO

K.C.C. DISTRICT #2 RECOMMENDATION (Check One):

1. Authorization granted with no liner.  
\_\_\_\_\_ 2. Authorization granted, if pit is lined.  
\_\_\_\_\_ 3. Authorization granted, no liner necessary, but free fluids must be removed within \_\_\_\_\_  
hours of completion of workover/plugging operations.  
\_\_\_\_\_ 4. No verbal authorization will be given without on-site inspection.

\*Remind operator that pit permit form must be filed within five (5) days after verbal authorization.

*will line it & sand it out while digging.*

RESULTS OF INSPECTION:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature] Agent Date 9-30-09