

KCC District #2
Wichita State Office Bldg.
130 S. Market, Room 2125
Wichita, KS 67202

WORKOVER PIT APPLICATION
VERBAL AUTHORIZATION

DATE: 3-2-2009 TIME: 8:32 AM
OPERATOR: KELSO OIL INC CONTACT PERSON: MIKE KELSO
LEASE NAME: PROFIT #3
NW SEC. 20 TWP. 19 RANGE 9 E (M) COUNTY: RICE

CONSTRUCTION:
SIZE: WIDTH 8 LENGTH 20 DEPTH 6
ESTIMATED CAPACITY _____ BBLs

EST. DEPTH TO GROUNDWATER (if known): APPROX. 20'
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: 7 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 48 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.

RESULTS OF INSPECTION:

JEFF KLOCK Agent Date 3-2-2009

15-159-02192-0000



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

March 4, 2009

Kelso Oil Inc
PO Box 467
Chase, KS 67524

Dear Sir or Madam:

Your application for surface pond waste transfer form(s) have not been approved and are being returned for one or more of the reasons marked below:

- Please sign and date. **Needs Notary**
- Operator license expired/not licensed.
- Spot location does not match footage.
- New form must be filed Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms
- Please correct or fill in all highlighted areas **Please complete CDP-1.**
- Other. **FORM MUST BE TYPED.**

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Kathy Haynes".

Kathy Haynes
Environmental Protection & Remediation Department



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

March 11, 2009

Mike Kelso Oil Inc.
PO Box 467
Chase, KS 67524

RE: Verbal on Workover Pit
Profitt Lease Well No. 3
NW/4 Sec. 20-19S-09W
Rice 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 03/02/2009. 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".

Kathy Haynes
Environmental Protection and Remediation Department

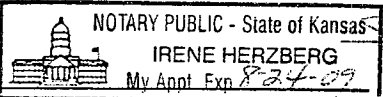
MAR 04 2009

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

CONSERVATION DIVISION
WICHITA, KS

Form CDP-5
August 2004
Form must be Typed

EXPLORATION & PRODUCTION WASTE TRANSFER

Operator Name: <u>Mike Kelso Oil, Inc.</u>		License Number: <u>31528</u>	
Operator Address: <u>P.O. Box 467 Chase, Kansas 67524</u>			
Contact Person: <u>Mike Kelso</u>		Phone Number: <u>(620)938-2943</u>	
Permit Number (API No. if applicable):		Lease Name: <u>Proffitt</u>	
Source of Waste:		Well Number: <u>#3</u>	
<input type="checkbox"/> Emergency Pit <input checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Steel Pit		<input type="checkbox"/> Dike <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Haul-off Pit <input type="checkbox"/> Spill / Escape	
		Source Location (QQQQ): <u> </u> SW <u> </u> NE <u> </u> NW Sec. <u>20</u> Twp. <u>19S</u> R. <u>9</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West _____ Feet from <input type="checkbox"/> North / <input type="checkbox"/> South Line of Section _____ Feet from <input type="checkbox"/> East / <input type="checkbox"/> West Line of Section <u>Rice</u> County	
Type of waste to be disposed: <input type="checkbox"/> Fluid <input type="checkbox"/> Soil <input type="checkbox"/> Mud / Cuttings <input type="checkbox"/> Other: <u>Workover Fluids</u>			
Amount of waste: _____ No. of loads _____ Barrels _____ Tons _____ YDS			
Destination of waste: <input type="checkbox"/> Reserve Pit <input type="checkbox"/> Disposal Well <input type="checkbox"/> Lease Road <input type="checkbox"/> Dike / Berm <input type="checkbox"/> Other: _____			
If waste is transferred to another reserve pit, is the lease active? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Location of waste disposal:		Date of Waste Transfer: _____	
Operator Name: _____		License No.: _____	
Lease Name: _____		Sec. _____ Twp. _____ R. _____ <input type="checkbox"/> East <input type="checkbox"/> West	
Docket No.: _____		County: _____	
The undersigned hereby certifies that he / she is <u>President</u> for <u>Mike Kelso Oil, Inc.</u> (Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of his / her knowledge and belief. <u><i>Mike Kelso</i></u> _____ Agent Signature			
Subscribed and sworn to before me on this <u>2nd.</u> day of <u>March</u> , <u>2009</u>			
My Commission Expires: _____		 <u><i>Irene Herzberg</i></u> Notary Public	