



KANSAS CORPORATION COMMISSION 1022735  
 OIL & GAS CONSERVATION DIVISION

Form CDP-1  
 April 2004  
 Form must be Typed

**APPLICATION FOR SURFACE PIT**

Submit in Duplicate

|   |  |  |  |
|---|--|--|--|
| Operator Name: Val Energy, Inc.   |  | License Number: 5822   |  |
| Operator Address: 200 W DOUGLAS AVE STE 520   |  | WICHITA KS 67202   |  |
| Contact Person: TODD ALLAM  |  | Phone Number: 316-263-6688   |  |
| Lease Name & Well No.: LEYSA 1-22   |  | Pit Location (QQQQ):<br>NE - NW - SE - SW<br>Sec. 22 Twp. 34 R. 11 <input type="checkbox"/> East <input checked="" type="checkbox"/> West<br>1,308 Feet from <input type="checkbox"/> North <input checked="" type="checkbox"/> South Line of Section<br>1,841 Feet from <input type="checkbox"/> East <input checked="" type="checkbox"/> West Line of Section<br>Barber County |  |
| Type of Pit:<br><input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit<br><input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit<br><input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit<br><i>(If WP Supply API No. or Year Drilled)</i>  |  | Pit is:<br><input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing<br>If Existing, date constructed: _____<br>Pit capacity: 7,500 (bbls)  |  |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |  | Chloride concentration: _____ mg/l<br><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?<br>CLAY BOTTOM   |  |  |  |
| Pit dimensions (all but working pits): 200 Length (feet) 200 Width (feet) <input type="checkbox"/> N/A: Steel Pits  |  | Depth from ground level to deepest point: 4 (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.  |  |
| Distance to nearest water well within one-mile of pit<br>2786 feet    Depth of water well 32 feet   |  | Depth to shallowest fresh water 12 feet.<br>Source of information:<br><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><br>Producing Formation: _____<br>Number of producing wells on lease: _____<br>Barrels of fluid produced daily: _____<br>Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No |  | <b>Drilling, Workover and Haul-Off Pits ONLY:</b><br>Type of material utilized in drilling/workover: FRESH MUD<br>Number of working pits to be utilized: 1<br>Abandonment procedure: LET DRY & COVER<br>Drill pits must be closed within 365 days of spud date.  |  |
| Submitted Electronically  |  |  |  |
| KCC OFFICE USE ONLY    Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input checked="" type="checkbox"/>   |  |  |  |
| Date Received: 09/29/2008    Permit Number: 15-007-23378-00-00    Permit Date: 09/30/2008    Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |  |  |  |



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

### HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

**82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.**

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
  - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
  - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
    - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
    - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
    - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
    - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
  - (2) a \$2,500 penalty for the second violation; and
  - (3) a \$5,000 penalty and an operator license review for the third violation.

**Complete and return with Haul-Off Pit Application, Form CDP1(2004)**

Haul-off pit will be located in an on-site disposal area:  Yes  No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:  
 Yes  No If yes, written permission from the landowner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator:  Yes  No If yes, written permission from the landowner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.



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

September 30, 2008

TODD ALLAM  
Val Energy, Inc.  
200 W DOUGLAS AVE STE 520  
WICHITA, KS67202-3005

Re: Haul-Off Pit Application  
LEYSA Lease Well No. 1-22  
Sec.22-34S-11W  
Barber County, Kansas

Dear TODD ALLAM:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the Haul-Off pit be lined with bentonite or native clay, constructed **without slots**, the bottom shall be flat and reasonably level and 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 after drilling operations have ceased.

**NO completion fluids or non-exempt wastes shall be placed in the Haul-Off 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, 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: [kcc.ks.gov/conservation/forms/](http://kcc.ks.gov/conservation/forms/)

If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.