

**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: Iuka-Carmi Development, LLC		License Number: 31739
Operator Address: PO Box 907 Pratt, Kansas 67124		
Contact Person: Kenneth C. Gates		Phone Number: 620 672-9571 Ext 5
Lease Name & Well No.: R. Ricke 1-25		Pit Location (QQQQ): <u>SE NW SW</u>
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 (If WP Supply API No. or Year Drilled)		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: <u>1920</u> Pit capacity: _____ (bbls)
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Sec. <u>20</u> Twp. <u>31</u> R. <u>10</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>4158</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Barber _____ County
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)
Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		How is the pit lined if a plastic liner is not used? Native Clay
Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>100</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>6</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.
Distance to nearest water well within one-mile of pit <u>1208</u> feet    Depth of water well <u>136</u> feet		Depth to shallowest fresh water <u>81</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: _____ 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>Drilling Mud</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Haul off contents, natural evaporation</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. _____ Date: 9-16-2008		RECEIVED KANSAS CORPORATION COMMISSION SEP 18 2008 CONSERVATION DIVISION WICHITA, KS
_____ Signature of Applicant or Agent		RECEIVED KANSAS CORPORATION COMMISSION SEP 23 2008 CONSERVATION DIVISION WICHITA, KS
<b>KCC OFFICE USE ONLY</b> Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input checked="" type="checkbox"/> Date Received: <u>9/23/08</u> Permit Number: <u>15-007-23372-0000</u> Permit Date: <u>9/23/08</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202



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

September 23, 2008

Iuka-Carmi Development, LLC  
PO Box 907  
Pratt, KS 67124

RE: Haul-Off Pit Application  
R. Ricke Lease Well No. 1-25  
SW/4 Sec. 20-31S-10W  
Barber 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 or bentonite**. 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. **Keep pit away from the drainage.**

**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](http://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 reads "Kathy Haynes".

Kathy Haynes  
Environmental Protection and Remediation Department

cc: district

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802

(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

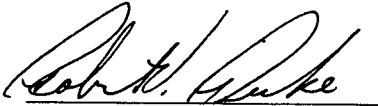
I, **Robert Ricke**, grant permission for Iuka-Carmi Development, LLC to construct haul-off pits on the following property that I own :

SW/4 Section 20, T31S, R10W  
Barber County, Kansas

These pits shall be used in conjunction with the drilling of the Iuka-Carmi Development, LLC R. Ricke 1-25 located on property I own with the following legal description:

N ½ NE ¼ Section 25, T32S, R10W <sup>11 W 1/4 sec for conversation SP.</sup>  
Barber County, Kansas

I understand that these pits will also be used in the drilling of a second well located in the SW/4 Section 20, T31S, R10W Barber County, Kansas.

  
Robert Ricke

  
Witness

9-16-08  
Date

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SEP 18 2008

CONSERVATION DIVISION  
WICHITA, KS

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KANSAS CORPORATION COMMISSION

SEP 23 2008

CONSERVATION DIVISION  
WICHITA, KS

**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.

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SEP 23 2008

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

CONSERVATION DIVISION  
WICHITA, KS

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 land owner 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 land owner 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.