



KANSAS CORPORATION COMMISSION 1022420
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: R & B Oil & Gas, Inc.		License Number: 31191
Operator Address: 904 N LOGAN		PO BOX 195 ATTICA KS 67009
Contact Person: Randy Newberry		Phone Number: 6202547251
Lease Name & Well No.: DOHM SWD		Pit Location (QQQQ): SW - NW - SE - SE
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: 4,800 (bbls)	Sec. 11 Twp. 32 R. 10 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 834 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1,270 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Barber County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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? Native mud and clays
Pit dimensions (all but working pits): 100 Length (feet) 100 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 2990 feet Depth of water well 45 feet		Depth to shallowest fresh water 20 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 Number of working pits to be utilized: 1 Abandonment procedure: Allowed to dry and then backfill 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 type="checkbox"/>
Date Received: 09/22/2008	Permit Number: 15-007-01021-00-02	Permit Date: 09/23/2008	Lease Inspection: <input type="checkbox"/> Yes <input checked="" 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*

**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 19, 2008

Randy Newberry
R & B Oil & Gas, Inc.
904 N LOGAN
PO BOX 195
ATTICA, KS67009-9217

Re: Haul-Off Pit Application
DOHM Lease Well No. SWD
Sec.11-32S-10W
Barber County, Kansas

Dear Randy Newberry:

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 the free fluids must be removed. The fluids are to be removed from the Haul-Off pit within 96 hours of completion of drilling operations.

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 (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:
kcc.ks.gov/conservation/forms/

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



OIL AND GAS LEASE



AGREEMENT, Made and entered into October 18, 2007, by and between: Schreiner Farms, Inc.

Party of the first part, hereinafter called lessor (whether one or more) and R & B Oil & Gas, Inc. Party of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of One-Thousand & No Cents (\$1,000.00) DOLLARS, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land, "together with any reversionary rights therein," situated in the County of Barber State of Kansas, described as follows, to-wit:

Southeast Quarter (SE/4) Southeast Quarter (SE/4) of Section 11 Township 32S Range 10W and containing 40 acres more or less.

It is agreed that this lease shall remain in full force for a term of 1 (One) years from this date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee, or the premises are being developed or operated.

In consideration of the premises the said lessee covenants and agrees:

1st To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product as royalty 1/8 of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty 1/8 of the proceeds of the sale thereof at the mouth of the well. The lessee shall pay lessor as royalty 1/8 of the proceeds from the sale of gas as such at the mouth of the well where gas only is found and where such gas is not sold or used, lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used as royalty, an amount equal to the delay rental provided in the next succeeding paragraph thereof, and while said royalty is so paid or tendered this lease shall be held as a producing lease under the above term paragraph hereof; the lessor to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

DELAY RENTAL SHALL BE \$1.00 PER ACRE

If no well be commenced on said land on or before October 18, 2007, this lease shall terminate as to both parties.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operation thereon, except water from wells of lessor.

When requested by lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with the like effect as if such well had been completed within the term of years herein first mentioned.

If the estate of either party hereto is transferred, and the privilege of transferring in whole or in part is expressly allowed, or if the rights hereunder of either party hereto are vested by descent or devise, the covenants hereof shall extend to and be binding on the heirs, devisees, executors, administrators, successors, or assigns, but no change in the ownership of said land or of any right hereunder shall be binding on the lessee until after lessee has been furnished with the original or a certified copy thereof of any transfer by lessor or with a certified copy of the will of lessor together with a transcript of the probate thereof or, in the event lessor dies intestate and his estate is being administered, with a transcript of the administration proceedings or, in the event of the death of lessor and no administration being had on the estate, with an instrument satisfactory to lessee executed by lessor's heirs authorizing payment or deposit or tender for deposit to their credit as hereinbefore provided, at least thirty days before said rentals and royalties are payable or due, and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payments of said rentals. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment. If the leased premises are now or hereafter owned in severalty or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in separate tracts into which the land covered by this lease may hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such separate tracts.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof and may reimburse itself from any rental of royalties accruing hereunder.

The terms, covenants, and conditions hereof shall run with said land and herewith and shall be binding upon the parties hereto, their heirs, administrators, devisees, executors, successors and assigns; however all express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor shall be paid \$1,500 for damages

RECEIVED KANSAS CORPORATION COMMISSION

SEP 23 2008

Whereof witness our hands as of the day and year first above written.

Schreiner Farms, Inc. by: James R. Schreiner Print Officer Name James R. Schreiner Print Title Pres

CONSERVATION DIVISION WICHITA, KS (SEAL) (SEAL) (SEAL) (SEAL)



State of Kansas, Barber Co., SS This Instrument was filed for record on the 1 day of November 2007 at 9:27 o'clock A. M., and duly recorded in book 316 on page 585 Betty J. Aubreyden Register of Deeds Fees \$13.00



STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
By _____

My commission expires _____
Notary Public

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
By _____ and _____

My commission expires _____
Notary Public

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
By _____ and _____

My commission expires _____
Notary Public

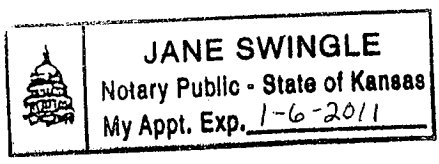
STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
By _____ and _____

My commission expires _____
Notary Public

No. _____
OIL AND GAS LEASE
FROM
Schreiner Farms, Inc.
TO
R & B Oil & Gas, Inc.
Date October 18, 2007
Section 11 Twp. 32S Rge. 10W
No. of Acres 40 Term 1 year
SE/4 County Barber
STATE OF _____
County _____
This instrument was filed for record on the _____
day of _____,
at _____ o'clock _____ M., and duly recorded
in Book _____ Page _____ of
the records of this office.
By _____ Register of Deeds
When recorded, return to _____

STATE OF Kansas
COUNTY OF Harper ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
The foregoing instrument was acknowledged before me this 31st day of October, 2007
by James R. Schreiner, President
of Schreiner Farms, Inc. a Kansas
corporation, on behalf of the corporation.
My commission expires 1-6-2011

Jane Swingle
Jane Swingle, Notary Public



R & B Oil & Gas, Inc.

P.O. Box 195

Attica, Kansas 67009

Phone: 620-254-7251 ~ Fax: 620-254-7281

Email: rboil@sutv.com

September 19, 2008

Mr. Jim Schreiner
2361 Catalpa Rd
Sharon, KS 67138

Dear Mr. Schreiner:

This letter is to acknowledge that James Schreiner, President of Schreiner Farms, Inc., does hereby grant R & B Oil & Gas, Inc. permission for and in consideration of \$3500.00 to construct a new drilling pit located in the Southeast Quarter of Southeast Quarter of Section Eleven, Township Thirty-Two South, Range Ten West (SE SE 11-32S-10W), Barber County, Kansas, as an off-site haul-off pit for R & B Oil & Gas, Inc.'s drilling operation of the Dohm SWD (API # 15-007-01021-00-02 & Docket # D-30, 231), located in the West Half of the East Half of the Southwest Quarter of Section Ten, Township Thirty-Two South, Range Ten West (W/2 E/2 SW 10-32S-10W), Barber County, Kansas. R & B Oil & Gas, Inc. shall be responsible for the closing of said pit.

Please sign and return as soon as possible so that we may forward on to the state.

Sincerely,

Jane Swingle

Schreiner Farms Inc.
by James R. Schreiner

Schreiner Farms, Inc.
James R. Schreiner, President

RECEIVED
KANSAS CORPORATION COMMISSION

SEP 23 2008

CONSERVATION DIVISION
WICHITA, KS