

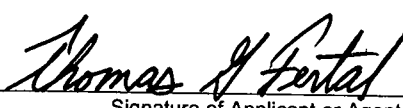
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
April 2004
Form must be Typed

REVISED

SHOWING
Submit in Duplicate

HAUL-OFF PIT LOCATION

Operator Name: SAMUEL GARY JR & ASSOCIATES, INC.		License Number: 3882	
Operator Address: 1560 BROADWAY		SUITE 2100 DENVER CO 80202	
Contact Person: TOM FERTAL		Phone Number: 303 - 831 - 4673	
Lease Name & Well No.: ORTH 3-5		Pit Location (QQQQ): _____ SW _____ SW _____ NW Sec. <u>5</u> Twp. <u>19</u> R. <u>10</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>3,090</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>4,810</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section RICE _____ 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 type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 10,000 (bbls)		
Is the pit located in a Sensitive Ground Water Area? <input 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? NATIVE MUD AND CLAY	
Pit dimensions (all but working pits): <u>120</u> Length (feet) <u>120</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.	
Distance to nearest water well within one-mile of pit <u>1500</u> feet Depth of water well <u>125</u> feet		Depth to shallowest fresh water <u>6</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input 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: <u>FRESH MUD (STEEL TANKS)</u> Number of working pits to be utilized: <u>0</u> Abandonment procedure: <u>ALLOW TO DRY, THEN BACKFILL</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.		RECEIVED KANSAS CORPORATION COMMISSION	
<u>SEPTEMBER 18, 2008</u> Date		 Signature of Applicant or Agent	
		SEP 19 2008 CONSERVATION DIVISION WICHITA, KS	

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input checked="" type="checkbox"/>	RFAS <input checked="" type="checkbox"/>
Date Received: <u>9/19/08</u>	Permit Number: <u>15-159-22584-0000</u>	Permit Date: <u>9/19/08</u>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	72

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

using same haul-off Per Orth-Madden 1-5 & Orth 3-5



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.

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CONSERVATION DIVISION
WICHITA, KS

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.

Samuel Gary Jr. & Associates, Inc.

1560 Broadway, Suite 2100, Denver, CO 80202 (303) 831-4673

September 15, 2008

Mrs. Barbara Orth
460 Avenue E
Bushton, KS 67427

RE: Haul-off Pit
Orth 3-5 Well
Section 5-19S-10W
Rice County, Kansas
Redtail Extension Prospect
KS1453

Dear Mrs. Orth:

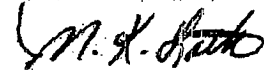
In order to drill the Orth 3-5 well, we will need your permission to have a haul-off reserve pit to dispose of our cuttings from said well. This reserve pit will be located 3090 feet from the south line and 4810 feet from the east line of Section 5, 19S-10W, Rice County, Kansas.

If you are in agreement with this location of the reserve pit, please so signify by executing in the space provided below and returning one original to my attention in the attached envelope.

Thank you for your cooperation in this matter.

Very truly yours,

SAMUEL GARY JR. & ASSOCIATES, INC.


MaryLee K. Loth
Petroleum Landman

Attachments

AGREED TO THIS 17 day of September, 2008

By: 
BARBARA ORTH

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CONSERVATION DIVISION
WICHITA, KS



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

September 19, 2008

Mr. Tom Fertal
Samuel Gary Jr. & Associates, Inc.
1560 Broadway Ste 2100
Denver, CO 80202

RE: Haul-Off Pit Application
Orth Lease Well No. 3-5
NW/4 Sec. 05-19S-10W
Rice County, Kansas

Dear Mr. Fertal:

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 free fluids must be removed. The fluids are to be removed from the haul-off pit drilling operations have ceased.

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 haul-off pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 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: 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". The signature is written in a cursive style.

Kathy Haynes
Environmental Protection and Remediation Department

cc: district

Samuel Gary Jr. & Associates, Inc.

1560 Broadway, Suite 2100, Denver, CO 80202 (303) 831-4673

September 18, 2008

Ms. Kathy Haynes
Kansas Environmental and
Remediation Department
Conservation Division
Finney State Office Building
130 S. Market, Room 2078
Wichita, Kansas 67202-3802

RE : Haddon 1-5 API # 15-159-22583H-0000
and
Orth 3-5 API # 15-159-22584H-0000
Rice County, Kansas

Dear Kathy,

Enclosed please find our REVISED CDP-1's for the Haddon 1-5 and Orth 3-5. Both of these Wells had their original Intent To Drill approved by the KCC with no site inspection required. However, upon the start of the location construction our dirt contractor discovered the presence of very shallow ground water and called out Virgil Clothier from the KCC. After inspection, Virgil determined that separate haul-off pits would be required for both Well locations, and attached are the CDP-1's showing the location of the haul-off pits along with the "Application Filing Requirements letters" and the signed letters, by the landowners, giving approval for the haul-off pits.

On August 1, 2008 we spudded our Orth-Haddon 1-5 which also required the use of steel tanks and a haul-off pit. Virgil Clothier determined the location of the haul-off pit, and in anticipation of drilling another Orth Well in the near future, we were given permission to construct the haul-off pit large enough to use for a second well. This Orth-Haddon 1-5 off-haul pit, located 3090' FSL / 4810' FEL Sec. 5 - 19S - 10W will therefore also be used as the haul-off pit for our Orth 3-5.

The haul-off pit for our Haddon 1-5, was also given approval by Virgil Clothier to be constructed large enough to use for a second Well, as an additional Haddon Well is likely to be drilled in the very near future.

If you have any other questions please call me at the phone number shown on the letterhead.

Sincerely, 

Thomas G. Fertal
Sr. Geologist
Samuel Gary Jr & Associates, Inc.

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KANSAS CORPORATION COMMISSION
SEP 19 2008
CONSERVATION DIVISION
WICHITA, KS

Kathy Haynes

From: Virgil Clothier
Sent: Thursday, September 11, 2008 1:47 PM
To: Kathy Haynes
Subject: "Samuel Gary Jr & Associates pits"

Kathy, Just wanted to let you know about 3 pit locations. These are 3 wells to be drilled in Rice cty. The Gilchrist ? in SW 9-21-10W will require haul-off pit 1210' FSL and 3482' FEL to be 100' x 100' and no deeper than 4' deep and have a bentonite liner. The well will be drilled approx 1500' to southwest from this spot. The Orth #3 in the NW 5-19-10W will be using the Orth Haddon #1 reserve pit for its haul-off pit. The Haddon 1-5 will require a haul-off pit in NE 5-19-10W at 3391' FSL and 101' FEL and be constructed 100'x100' and no deeper than 4' deep, no liner required. As I understand from the dirt contractor, no pit applications have been made out yet for these. Thank-you. Call if you still have questions. 316-250-7093 Dist 2-- Virgil C. .

9/19/2008