

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: A G V Corp.		License Number: 5039	
Operator Address: P. O. Box 377 Attica, Ks 67009			
Contact Person: Larry G. Mans		Phone Number: 620-254-7222	
Lease Name & Well No.: Queal #08		Pit Location (QQQQ): _____ - C - N$\frac{1}{2}$ - SE$\frac{1}{4}$	
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: _____ Pit capacity: 2000 (bbls)	
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? Bottom covered with Bentonite			
Pit dimensions (all but working pits): 75 Length (feet) 50 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) _____ 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 1000 ³³⁰ feet Depth of water well 95 feet		Depth to shallowest fresh water 10 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: Chemical mud Number of working pits to be utilized: 1 Abandonment procedure: Allowed to dry then covered with dirt 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. <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <p>8/8/08 Date</p> </div> <div style="text-align: center;"> <p><i>Larry G. Mans</i> Signature of Applicant or Agent</p> </div> <div style="text-align: right;"> <p>RECEIVED KANSAS CORPORATION COMMISSION AUG 11 2008 CONSERVATION DIVISION WICHITA, KS</p> </div> </div>			
KCC OFFICE USE ONLY Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input checked="" type="checkbox"/> Date Received: 8/11/08 Permit Number: 15-007-23326-0000 Permit Date: 8/12/08 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Beat			

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


KANSAS
CORPORATION COMMISSION

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

August 12, 2008

Mr. Larry G. Mans
AGV Corp
PO Box 377
Attica, KS 67009

RE: Haul-Off Pit Application
Queal Lease Well No. 08
SE/4 Sec. 22-32S-10W
Barber County, Kansas

Dear Mr. Mans:

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 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.

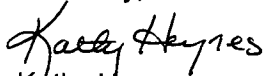
If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the haul-off pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (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.

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,



Kathy Haynes
Environmental Protection and Remediation Department

cc: district



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 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 [X] No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: [] Yes [X] 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: [X] 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.

Sec. 29-325-10w
1825 15
330 CW

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/

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 11 2008

CONSERVATION DIVISION
WICHITA, KS

OIL AND GAS LEASE



AGREEMENT, Made and entered into the 2nd day of April, 1985

by and betw... Helen Martin, a widow

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 11 2008

CONSERVATION DIVISION
WICHITA, KS

whose mailing address is... hereinafter called Lessor (whether one or more),
and Attica Gas Venture Corporation, Inc.

hereinafter called Lessee:

Lessor, in consideration of Ten and More Dollars (\$ 10.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Barber, State of Kansas

described as follows, to-wit:

SE/4, SE/4 SW/4, S/2 SW/4 SW/4, S/2 N/2 SW/4 SW/4, E/2 NE/4 SW/4 of Section 22, and NE/4 of NE/4

In Section 27, Township 32S, Range 10@, and containing 290 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of One years from July 29, 1985 (called "primary term"). and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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 lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. 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 like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

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

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

Lessee shall pay for damages caused by lessee's 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 estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. 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.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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 in damages, 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 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 the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

There shall be no unitization of this land with other land. Lessee shall pay damages of \$2,000.00 per location for any new drilling on this lease, in advance of drilling.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Witnesses:

Helen S. Martin
HELEN MARTIN

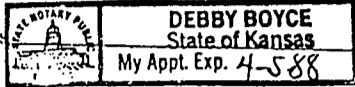
STATE OF KANSAS
COUNTY OF BARBER

ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. AUG 14, 2008.)

Before me, the undersigned, a Notary Public, within and for said county and state, on this 2nd day of April, 19 85, personally appeared Helen Martin, a widow and _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth. IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires _____



Debby Boyce

Notary Public.

STATE OF _____
COUNTY OF _____

ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)

Before me, the undersigned, a Notary Public, within and for said county and state, on this _____ day of _____, 19____, personally appeared _____ and _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth. IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires _____

Notary Public.

STATE OF _____
COUNTY OF _____

ss. ACKNOWLEDGMENT FOR CORPORATION

On this _____ day of _____, A. D., 19____, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared _____ to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its _____ President and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My commission expires _____

Notary Public.

No. _____

OIL AND GAS LEASE

FROM _____ TO _____

Date _____ 19____

Section _____ Twp _____ Rge. _____

No. of Acres _____ Term _____

County _____

STATE OF Kansas }
County of Barber } ss.

This instrument was filed for record on the 29 day of July, 19 85 at 2:31 o'clock P. M., and duly recorded in Book 224 Page 211 of the records of this office.

By Margaret Wight Register of Deeds.
Georgina Johnson

When recorded, return to _____

THE KANSAS BLUE PRINT CO.
WICHITA, KANSAS
PHOTOSTAT SERVICE-UP-TO-DATE OIL MAPS

NOTE: When signature by mark in Kansas, said mark to be witnessed by at least one person and also acknowledged. For acknowledgment by mark, use regular Kansas acknowledgment.

STATE OF _____
COUNTY OF _____

ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)

Before me, the undersigned, a Notary Public, within and for said county and state, on this _____ day of _____, 19____, personally appeared _____ and _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth. IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires _____

Notary Public.