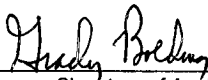


**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

RECEIVED

Operator Name: Grady Bolding Corporation		License Number: 7383
Operator Address: P.O. Box 486 Ellinwood, Kansas 67526		
Contact Person: Grady Bolding		Phone Number: 620-564-2240
Lease Name & Well No.: Nicholson B-3		Pit Location (QQQQ): NE SW SW
Type of Pit: plugging pit <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 100 (bbls)
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" 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? Some help from mud.
Pit dimensions (all but working pits): <u>10</u> Length (feet) <u>8</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. Pit will dry quickly after plugging. Pit will be filled when dry.
Distance to nearest water well within one-mile of pit <u>1423</u> feet Depth of water well <u>60</u> feet		Depth to shallowest fresh water <u>80</u> feet. Source of information: <u>vicinity</u> <input type="checkbox"/> measured <input checked="" 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: <u>cement (plugging of well)</u> Number of working pits to be utilized: <u>1 (note above)</u> Abandonment procedure: <u>Allow pit to dry. Fill with subsoil and topsoil.</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.		
<u>5-28-08</u> Date	 Signature of Applicant or Agent	MAY 29 2008 CONSERVATION DIVISION WICHITA, KS

KANSAS CORPORATION COMMISSION

JUN 02 2008

CONSERVATION DIVISION
WICHITA, KS

RECEIVED
KANSAS CORPORATION COMMISSION

KCC OFFICE USE ONLY

Steel Pit RFAC RFAS

Date Received: 5/29/08 Permit Number: 15-051-23340-900 Permit Date: 6/3/05 Lease Inspection: Yes 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*

June 3, 2008

Grady Bolding Corporation
PO Box 486
Ellinwood, KS 67526

RE: Workover Pit Application
Nicholson B Lease Well No. 3
SW/4 Sec. 16-12S-20W
Ellis County, Kansas

Dear Sir or Madam:

District staff has reviewed the enclosed workover pit application and has determined that the fluids from the workover pit must be removed after the workover operations have ceased.

Please call the District Office at (785) 625-0550 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.

If you have any questions please feel free to contact me at (316) 337-6243.

Sincerely,

A handwritten signature in black ink that reads "Kathy Haynes". The signature is written in a cursive style.

Kathy Haynes
Department of Environmental Protection and Remediation

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/>