

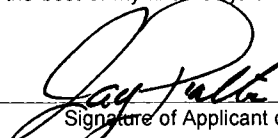
KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

NOV 17 2008

Form CDP-1  
April 2004  
Form must be Typed

APPLICATION FOR SURFACE PIT CONSERVATION DIVISION  
WICHITA, KS

Submit in Duplicate

Operator Name: <b>Clipper Energy, LLC</b>		License Number: <b>33979</b>
Operator Address: <b>3838 Oak Lawn #1310</b>		<b>Dallas, Texas 75219</b>
Contact Person: <b>Jay Pulte</b>		Phone Number: <b>214-220-1080</b>
Lease Name & Well No.: <b>USA Gas Unit D-1</b>		Pit Location (QQQQ): <b>C NE SW</b>
Type of 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 <small>(If WP Supply API No. or Year Drilled) 15-129-30099</small>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>100</b> (bbls)
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Sec. <b>29</b> Twp. <b>34</b> R. <b>43</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1,980</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>3,300</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Morton</b> County
Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>		How is the pit lined if a plastic liner is not used?
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Pit dimensions (all but working pits): <b>10</b> Length (feet) <b>8</b> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <b>7</b> (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>6 mil plastic, no seams, laid in place.</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>None required.</b>
Distance to nearest water well within one-mile of pit <b>2498</b> feet    Depth of water well <b>46</b> feet		Depth to shallowest fresh water <b>125 3/4</b> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input checked="" 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: <b>Produced water</b> Number of working pits to be utilized: <b>1</b> Abandonment procedure: <b>Vacuum out fluid and backfill.</b> 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.		
_____ 11/12/08 Date		_____  Signature of Applicant or Agent

<b>KCC OFFICE USE ONLY</b>		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: <b>11/12/08</b>	Permit Number: <b>15-129-30099-0000</b>	Permit Date: <b>11/18/08</b>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	