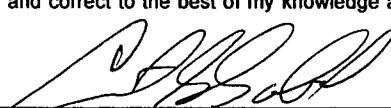


**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

Form CDP-1  
April 2004  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>Berexco, Inc.</b>		License Number: <b>5363</b>
Operator Address: <b>P.O. Box 723 Hays, Kansas 67601</b>		
Contact Person: <b>Curtis Gabel</b>		Phone Number: <b>(785) 628-6101</b>
Lease Name & Well No.: <b>Karlin B #1</b>		Pit Location (QQQQ): <b>NE SW 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)</small>		Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: <b>07/25/08</b> Pit capacity: <b>150</b> (bbls)
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Sec. <b>1</b> Twp. <b>12</b> R. <b>18</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>4,620</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>660</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Ellis</b> County
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Artificial Liner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): <b>25</b> Length (feet) <b>8</b> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <b>5</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 mm</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.  <div style="text-align: right;"> <b>RECEIVED</b>  <b>KANSAS CORPORATION COMMISSION</b>  <b>JUL 30 2008</b>  <b>CONSERVATION DIVISION</b>  <b>WICHITA, KS</b> </div>
Distance to nearest water well within one-mile of pit <b>4402</b> feet    Depth of water well <b>45</b> feet		Depth to shallowest fresh water <b>20</b> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input 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>Fresh and saltwater</b> Number of working pits to be utilized: <b>1</b> Abandonment procedure: <b>Fence pit and haul off excess to SWD</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.		
Date: <b>07/25/08</b>		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>7/30/08</b> Permit Number: <b>15-051-02447-0001</b> Permit Date: <b>7/31/08</b> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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