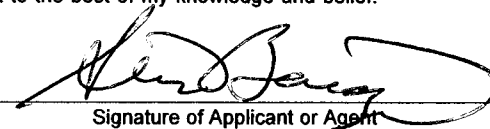


**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Charter Energy, Inc.		License Number: 9090
Operator Address: P.O.Box 252 Great Bend, KS 67530		
Contact Person: Steve Baize		Phone Number: 620-793-9090
Lease Name & Well No.: Ruder Unit #1		Pit Location (QQQQ): <u> </u> - <u>W2</u> - <u>W3</u> - <u>NE</u>
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: <u>6/23/08</u> Pit capacity: <u>120</u> (bbls)	Sec. <u>8</u> Twp. <u>15</u> R. <u>18</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1,320</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>2,090</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <u>Ellis</u> County
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 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): <u>15</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. <u>6 mil</u>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <div style="text-align: right;">RECEIVED KANSAS CORPORATION COMMISSION JUL 23 2008 CONSERVATION DIVISION WICHITA, KS</div>
Distance to nearest water well within one-mile of pit <u>2453</u> feet Depth of water well <u>32</u> feet		Depth to shallowest fresh water <u>20</u> 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: <u>Cement and wellbore fluids</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Will allow to air dry and 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. <u>7/21/08</u> Date <div style="text-align: right;"> Signature of Applicant or Agent</div>		

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: <u>7/23/08</u>	Permit Number: <u>15-051-25675</u>	Permit Date: <u>6/23/08</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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

Operator & Address: Chatter Energy

Lic.# 9090 Contact Person: Steve Baize Phone # ~~785~~ 620-793-9090

Lease Name & Well # Ryder unit #1 API # or Spud Date: _____

Location: NE 14 Sec: 8 Twp: 15 Rge: 18 N W County: Ellis

_____ feet from the North / South Line, _____ feet from the East / West Line of _____ 14 section.

Purpose of Pit: _____ Depth to Ground Water: _____

Nature of Fluids: _____

Construction: _____, Width: 8, Length: 18, Depth: 6 bbl capacity: 100

Liner Specifications: 6 mil

This lease produces from the following formation(s): _____

Date of Verbal Permit: 6/23/08, KCC Agent: CM

To save paperwork, copy this form after completion of the first 11 lines. Use copy for closure form.

Dates Pit Used: From 6/23/08 To _____ Date Water Hauled: _____

Proposed Closing Procedure / Actual Closure information: _____

Pit must be closed in _____ days.

(signature) _____ (date) _____

***** KCC USE ONLY *****

Groundwater Sensitive Area YES () NO (); Field Inspection Date: _____, Agent: _____

Chloride of Water in Pit: _____, Date Collected: _____

_____ feet to nearest Water Well. Depth of Water Well: _____, Application Tabulated

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 24 2008
CONSERVATION DIVISION
WICHITA, KS



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

July 17, 2008

Charter Energy Inc.
PO Box 252
Great Bend, KS 6753-0252

RE: Verbal on Workover Pit
Ruder Unit Lease Well No. 1
NE/4 Sec. 08-15S-18W
Ellis County, Kansas

Dear Sir or Madam:

According to our files we do not have an application for the above referenced workover pit, district staff gave verbal approval on 06/23/2008. According to K.A.R. 82-600(b) workover pits may be permitted through verbal authorization from the appropriate district office subject to the filing of a surface pond application within five days after the verbal authorization.

Please complete surface pond application form (CDP-1) and return to this office within 14 days of the date of this letter. If this pit has been closed please complete the closure of surface pit form (CDP-4). 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 call me at (316) 337-6243.

Sincerely,

A handwritten signature in black ink that reads "Kathy Haynes".

Kathy Haynes
Environmental Protection and Remediation Department