

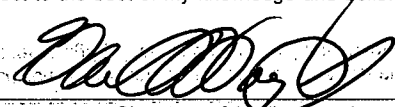
RECEIVED

JUL 23 2010

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

KCC WICHITA Form must be Typed
Form CDP-1
April 2004

Submit in Duplicate

Operator Name: MIDCO Exploration, Inc.		License Number: 5254	
Operator Address: 414 Plaza Drive, Suite 204		Westmont, IL 60559	
Contact Person: Earl J. Joyce, Jr.		Phone Number: 630-655-2198	
Lease Name & Well No.: Pray #1		Pit Location (QQQQ): NE	
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 <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: 6/29/2010 Pit capacity: 800 (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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Pit dimensions (all but working pits): 8 Length (feet) 10 Width (feet)		<input checked="" type="checkbox"/> N/A: Steel Pits <input type="checkbox"/> No Pit	
Depth from ground level to deepest point: 5 (feet)			
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 _____ feet Depth of water well _____ feet		Depth to shallowest fresh water 48 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: workover cement Number of working pits to be utilized: 1 Abandonment procedure: When pits are dry they will be backfilled and restored 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: 7/19/2010		Signature of Applicant or Agent: 	
KCC OFFICE USE ONLY			
Date Received: 7-23-10		Permit Number: 15-095-20266000 Permit Date: 6-29-10 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

620-786-9160

**WORKOVER PIT APPLICATION
VERBAL AUTHORIZATION**

DATE: 6/29/10 TIME: 1:27
OPERATOR: Midco Exp. CONTACT PERSON: Dave Mayfield
LEASE NAME: PCAY #1
NE SEC. 23 TWP. 28 RANGE 8 E 10 COUNTY: KM

CONSTRUCTION:

SIZE: WIDTH 8 LENGTH 10 DEPTH 5'
ESTIMATED CAPACITY _____ BBLs

EST. DEPTH TO GROUNDWATER (if known): 48'
TYPE OF FLUID: _____ Saltwater Workover Fluids
 Cement _____ Drilling Mud/Cuttings

DOES OPERATOR PLAN TO LINE PIT: YES _____ NO
ESTIMATED TIME BEFORE PIT WILL BE CLOSED: _____ Days
ANY KNOWN WATER WELLS WITHIN 1/4 MILE OF PIT: YES _____ NO

K.C.C. INFORMATION: IS PIT IN SGA? YES _____ NO

K.C.C. DISTRICT #2 RECOMMENDATION (Check One):

- _____ 1. Authorization granted with no liner.
- 2. Authorization granted, if pit is lined w/ plastic >10mil
- _____ 3. Authorization granted, no liner necessary, but free fluids must be removed within _____ hours of completion of workover/plugging operations.
- _____ 4. No verbal authorization will be given without on-site inspection.

*Remind operator that pit permit form must be filed within five (5) days after verbal authorization.

RESULTS OF INSPECTION:

SS ✓ did field check.

Agent _____

Date _____



Mark Parkinson, Governor
Thomas E. Wright, Chairman
Joseph F. Harkins, Commissioner
Ward Loyd, Commissioner

July 15, 2010

Midco Exploration, Inc.
414 Plaza Dr Ste 204
Westmont, IL 60559-1265

RE: Verbal on Workover Pit
Pray #1 Lease
NE/4 Sec. 23-28S-08W
Kingman 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 06/29/2010. 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". The signature is written in a cursive style with a large initial "K".

Kathy Haynes
Environmental Protection and Remediation Department