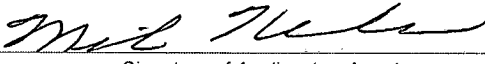


**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

| | | |
|---|--|---|
| Operator Name: Mike Kelso Oil, Inc. | | License Number: 31528 |
| Operator Address: P.O. Box 467 Chase, Kansas 67524 | | |
| Contact Person: Mike Kelso | | Phone Number: 620-562-8088 |
| Lease Name & Well No.: Brenn Unit #2 | | Pit Location (QQQQ): _____ SE _____ SE _____ NW Sec. <u>19</u> Twp. <u>23</u> R. <u>13</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>2,970</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>2,970</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Stafford County |
| 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 W/P Supply API No. or Year Drilled)</small> <u>15-185-13171-0002</u> | Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <u>80</u> (bbls) | |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" 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 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>20</u> Length (feet) <u>10</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (feet) <input type="checkbox"/> No Pit | | |
| If the pit is lined give a brief description of the liner material, thickness and installation procedure. 3 Mil Plastic | | Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. RECEIVED OCT 27 2010 KCC WICHITA |
| Distance to nearest water well within one-mile of pit: <u>2122</u> feet Depth of water well <u>65</u> feet | | Depth to shallowest fresh water <u>22</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>Mud & Saltwater</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Backfill 14 Days</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>10-26-2910</u> Date | |  Signature of Applicant or Agent |

| | | | |
|--------------------------------|--|---|---|
| KCC OFFICE USE ONLY | | | |
| Date Received: <u>10-27-10</u> | Permit Number: <u>15-185-131710002</u> | Permit Date: <u>10-27-10</u> | Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| | | <input checked="" type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS | |

October 27, 2010

Mike Kelso Oil, Inc.
PO Box 467
Chase, KS 67524

Re: Workover Pit Application
Brenn Unit Lease Well No. 2
NW/4 Sec. 19-23S-13W
Stafford County, Kansas

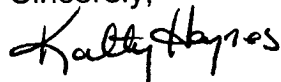
Dear Sir or Madam:

District staff has reviewed the above referenced location and has determined the pit must **be lined and fluids removed within after completion**. A plastic liner with the minimum thickness of 3 mil is to be used. Integrity of the liner must be maintained at all times.

The fluids must be removed from the pit after workover operations have ceased. The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (April 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 or concerns please feel free to contact the undersigned at the above address.

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