



KANSAS CORPORATION COMMISSION 1037314
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: N-10 Exploration, LLC		License Number: 34352	
Operator Address: 124 N MAIN		PO BOX 195 ATTICA KS 67009	
Contact Person: Randy Newberry		Phone Number: 620-254-7251	
Lease Name & Well No.: Medicine River Ranch C1		Pit Location (QQQQ): _____ NW - SW - 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 type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 4,800 _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
How is the pit lined if a plastic liner is not used? Native mud and clays			
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet)		<input type="checkbox"/> N/A: Steel Pits	
Depth from ground level to deepest point: _____ 4 _____ (feet)		<input type="checkbox"/> No Pit	
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 _____ 2649 _____ feet Depth of water well _____ 32 _____ feet		Depth to shallowest fresh water _____ 12 _____ 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: Mud _____ Number of working pits to be utilized: _____ 3 _____ Abandonment procedure: <u>Haul off fluids and let dry</u> _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			
KCC OFFICE USE ONLY			
Date Received: 04/23/2010		Permit Number: 15-007-23522-00-00	
Permit Date: 04/23/2010		Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input checked="" type="checkbox"/>			



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

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:

Yes No If yes, written permission from the landowner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: Yes No If yes, written permission from the landowner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.

N-10 EXPLORATION, LLC

P.O. Box 195

Attica, Kansas 67009

Phone: 620-254-7251 ~ Fax: 620-254-7281

Email: rboil@sutv.com

April 20, 2010

Medicine River Ranch Operating Company, LLC

Attn: Harry Dawson

3251 NW Willow Rd.

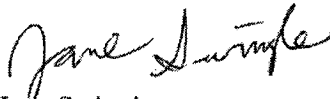
Medicine Lodge, KS 67104

Dear Mr. Dawson:

This letter is to acknowledge that Medicine River Ranch Operating Company, LLC, does hereby grant N-10 Exploration, LLC, permission to construct a pit located in the Northeast Quarter of Section Twenty-One, Township Thirty-Four South, Range Eleven West (NE/4 21-34S-11W), 1650' from North line and 2310' from East line, Barber County, Kansas, as an off-site haul-off pit for N-10 Exploration, LLC's drilling operation of the Medicine River Ranch C1 (API # 15-007-23522-00-00), located in the North Half of the Southwest of the Southeast Quarter of Section Sixteen, Township Thirty-four South, Range Eleven West (N/2 SW SE of Sec. 16-34S-11W), Barber County, Kansas. N-10 Exploration, LLC shall be responsible for the closing of said pit.

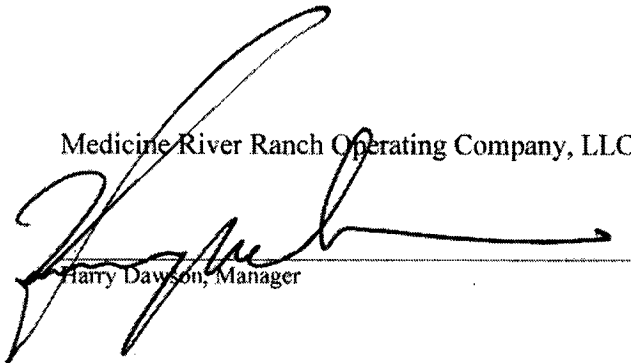
Please sign and return as soon as possible so that we may forward on to the state.

Sincerely,



Jane Swingle

Medicine River Ranch Operating Company, LLC



Harry Dawson, Manager



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

April 23, 2010

Randy Newberry
N-10 Exploration, LLC
124 N MAIN
PO BOX 195
ATTICA, KS 67009

Re: Drilling Pit Application
Medicine River Ranch C1
Sec.21-34S-11W
Barber County, Kansas

Dear Randy Newberry:

District staff has inspected the above referenced location and has determined that the Haul-Off pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the Haul-Off pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the Haul-Off pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

NO completion fluids or non-exempt wastes shall be placed in the Haul-Off pit.

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 (August 2008), Exploration and Production Waste Transfer, through SOLAR within 30 days of fluid removal.

If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.