



KANSAS CORPORATION COMMISSION 1042873
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Midco Exploration, Inc.		License Number: 5254
Operator Address: 414 PLAZA DR STE 204		WESTMONT IL 60559
Contact Person: Earl J. Joyce, Jr.		Phone Number: 630-655-2198
Lease Name & Well No.: Theis 4-18		Pit Location (QQQQ): SE - NW - SE - SW Sec. 18 Twp. 33 R. 25 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 903 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1,678 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Clark 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 type="checkbox"/> Workover Pit <input checked="" 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: 07/2009 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Natural permeability
Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>100</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>3</u> (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: <u>2079</u> feet Depth of water well <u>60</u> feet		Depth to shallowest fresh water <u>50</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>chemical mud</u> Number of working pits to be utilized: <u>4</u> Abandonment procedure: <u>When pits are dry they will be backfilled and restored</u> Drill pits must be closed within 365 days of spud date.
Submitted Electronically		

KCC OFFICE USE ONLY			
Date Received: <u>09/01/2010</u>	Permit Number: <u>15-025-21515-00-00</u>	Permit Date: <u>09/03/2010</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	

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



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.

MIDCO EXPLORATION, INC.
THEIS LEASE
SW. 1/4, SECTION 18, T33S, R25W
CLARK COUNTY, KANSAS

GRAVEL

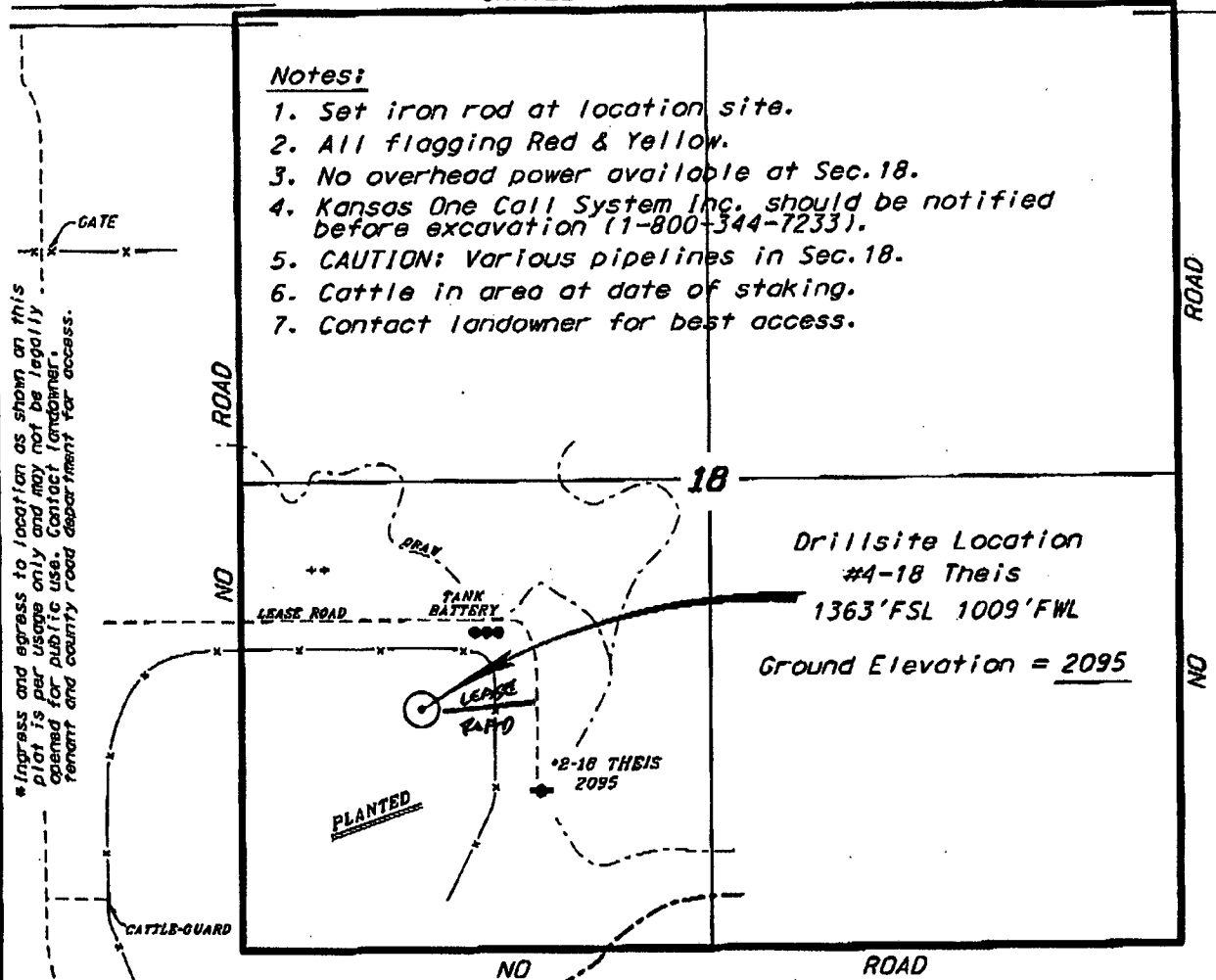
ROAD

Notes:

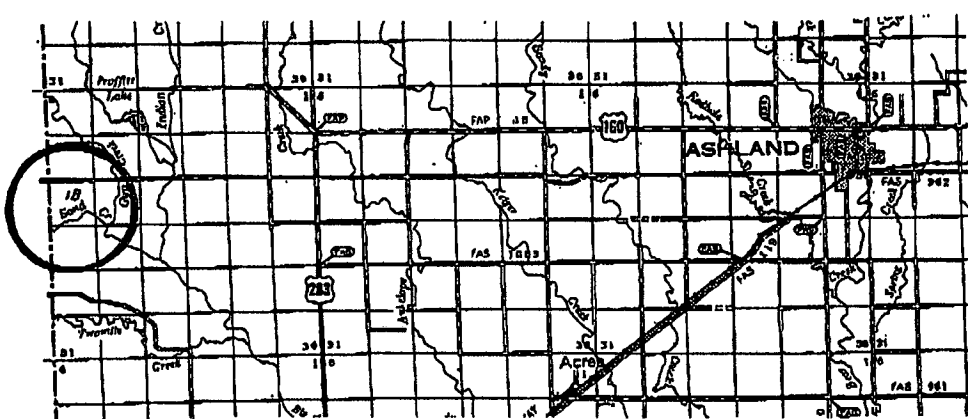
1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. No overhead power available at Sec. 18.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 18.
6. Cattle in area at date of staking.
7. Contact landowner for best access.

* Ingress and egress to location as shown on this plot is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.

ROAD
SCALE 1" = 1000'



Drillsite Location
#4-18 Theis
1363' FSL 1009' FWL
Ground Elevation = 2095



Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
Asymmetrical section lines were determined using the normal standards of care of oilfield surveyors practicing in the State of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator assuming this service and accepting this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and sole entities released from any liability from incidents or consequential damage.
Elevations derived from National Geodetic Vertical Datum.

Date August 19, 2010

MIDCO Exploration, Inc.
414 Plaza Drive • Suite 204
Westmont, Illinois 60559
(630) 655-2198

August 23, 2010

J.W. Bisel, Inc.
Attn: Mr. James Bisel
848 W. 4th Ave.
Ashland, KS 67831

Re: Drilling Haul Off Pit

Dear Jim,

As I discussed with you on the telephone, we have a location upon which we are preparing to drill a test well on property in Clark County. You are the surface owner of the quarter section where drilling will occur. The location is in the Southwest of Section 18-33S-25W. Due to ground water concerns the KCC will not approve a pit to be dug at the site of the proposed drilling.

Last year we had a similar situation on the Theis # 2-18 well. At that time you approved using a more acceptable spot for the pit and utilizing a shallower haul off pit to capture the mud from drilling operations. The haul off pit has not yet been closed and appears adequate for use on the upcoming well. The KCC has reviewed our plan, but in order to obtain approval from the KCC, we need to provide written approval from you to utilize a haul off pit.

If we have your permission to proceed with this activity, please sign below and return to our office at your earliest convenience so that we can complete the application process.

Sincerely,
MIDCO EXPLORATION, INC.



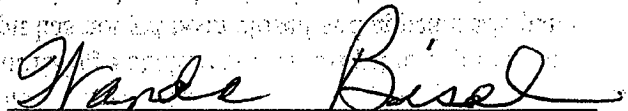
Earl J. Joyce Jr.

Dated signed

8/27/10



James W. Bisel



Wanda Bisel



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

September 03, 2010

Earl J. Joyce, Jr.
Midco Exploration, Inc.
414 PLAZA DR STE 204
WESTMONT, IL 60559-1265

Re: Drilling Pit Application
Theis 4-18
Sec.18-33S-25W
Clark County, Kansas

Dear Earl J. Joyce, Jr.:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the Haul-Off pit be lined. If a plastic liner is to be used it must have a minimum thickness of 10 mil. Integrity of the liner must be maintained at all times.

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

The free fluids in the Haul-Off pit should be removed as soon as practical after drilling 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 (August 2008), Exploration and Production Waste Transfer, through KOLAR 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.