KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1044027

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Samuel Gary Jr. & Associates, Inc.
License Number: 3882

Operator Address: 1515 WYNKOOP, STE 700 DENVER CO 80202

Contact Person: Clayton Camozzi
Phone Number: 303-831-4673

Lease Name & Well No.: R.A.M. 1-3

Pit Location (QQQQ): S2 - SE - NE - NE

Sec. 3 Twp. 17 R. 16 ☐ East ☒ West

1,120 Feet from ☒ North / ☐ South Line of Section

330 Feet from ☒ East / ☐ West Line of Section

Rush County

Type of Pit:
☐ Emergency Pit ☐ Burn Pit
☐ Settling Pit ☐ Drilling Pit
☐ Workover Pit ☒ Haul-Off Pit
(If WP Supply API No. or Year Drilled)

Pit is:
☒ Proposed ☐ Existing
If Existing, date constructed:

Pit capacity: 7,000 (bbls)

Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☒ No

Chloride concentration: _____ mg/l
(For Emergency Pits and Settling Pits only)

Is the bottom below ground level? ☒ Yes ☐ No

Artificial Liner? ☐ Yes ☒ No

How is the pit lined if a plastic liner is not used?
NATIVE CLAY OR BENTONITE

Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) ☐ N/A: Steel Pits

Depth from ground level to deepest point: 4 (feet) ☐ 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:
N/A feet Depth of water well _____ feet

Depth to shallowest fresh water _____ feet.
Source of information:
☐ measured ☐ well owner ☐ electric log ☒ 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? ☐ Yes ☐ No

Drilling, Workover and Haul-Off Pits ONLY:

Type of material utilized in drilling/workover: FRESH MUD

Number of working pits to be utilized: 0

Abandonment procedure: REMOVE FREE FLUIDS, ALLOW TO DRY, THEN BACKFILL

Drill pits must be closed within 365 days of spud date.

Submitted Electronically

KCC OFFICE USE ONLY

☐ Liner ☐ Steel Pit ☒ RFAC ☒ RFAS

Date Received: 09/07/2010 Permit Number: 15-165-21899-00-00 Permit Date: 09/08/2010 Lease Inspection: ☒ Yes ☐ No

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

KANSAS
CORPORATION COMMISSION

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.

CONSERVATION DIVISION
Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • http://kcc.ks.gov/

KANSAS
CORPORATION COMMISSION

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

September 08, 2010

Clayton Camozzi
Samuel Gary Jr. & Associates, Inc.
1515 WYNKOOP, STE 700
DENVER, CO 80202

Re: Drilling Pit Application
R.A.M. 1-3
Sec.03-17S-16W
Rush County, Kansas

Dear Clayton Camozzi:

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 within 96 hours 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 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.