

15-185-23439-0000

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

Form CDP-1  
April 2004  
Form must be Typed

Submit in Duplicate

Operator Name: <b>La Veta Oil &amp; Gas, LLC</b>		License Number: <b>32432</b> ✓
Operator Address: <b>P.O. Box 780 Middleburg VA 20118</b>		
Contact Person: <b>Bennie C. Griffin</b>		Phone Number: <b>( 620 ) 458 9222</b>
Lease Name & Well No.: <b>Allen #10</b>		Pit Location (QQQQ): <b>JAN #1</b> NW 1/4 <b>NW</b> SE <b>SW</b>
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: <u>October 15, 2006</u> Pit capacity: <u>3500</u> (bbls)	Sec. <u>13</u> Twp. <u>22</u> R. <u>12</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1870</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>1560</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>Stafford</u> County
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? <b>Bentonite Gel</b>
Pit dimensions (all but working pits): <u>70</u> Length (feet) <u>70</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>n/a</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>n/a</b>
Distance to nearest water well within one-mile of pit <u>202</u> feet    Depth of water well <u>90</u> feet		Depth to shallowest fresh water <u>16</u> feet. Source of information: _____ measured    _____ well owner    _____ electric log <input checked="" type="checkbox"/> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>bentonite gel and cuttings</u> Number of working pits to be utilized: <u>one (reserve pit)</u> Abandonment procedure: <u>allow to evaporate and backfill with dozer.</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.		
July 26, 2007 Date		<b>RECEIVED</b> KANSAS CORPORATION COMMISSION <b>JUL 26 2007</b> SIGNATURE OF APPLICANT OR AGENT <b>CONSERVATION DIVISION</b> WICHITA, KS <b>RFAS+c</b>
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>7/26/07</u> Permit Number: <u>15-185-23439-0000</u> Permit Date: <u>8/2/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-185-23439H



Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Robert E. Krehbiel, Commissioner  
Michael C. Moffet, Commissioner

August 2, 2007

Mr. Bennie C. Griffin  
La Veta Oil & Gas, LLC  
PO Box 780  
Middleburg, VA 20118

RE: Haul-Off Pit Application  
Allen Lease Well No. 10  
NW/4 Sec. 13-22S-12W  
Stafford County, Kansas

Dear Mr. Griffin:

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 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.

**If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve 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 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](http://www.kcc.state.ks.us/conservation/forms).

**A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.**

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes  
Environmental Protection and Remediation Department

cc: district office

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 25th day of January 2006 by and between George D. Sunday and Jan M. Sunday, husband and wife

whose mailing address is 9725 Swartz Rd., Edwardsville, KS 66111-1503 hereinafter called Lessor (whether one or more) and LaVeta Oil & Gas, LLC hereinafter called Lessee:

Lessor, in consideration of Ten Dollars (\$ 10.00 ) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, including gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Stafford state of Kansas described as follows to-wit:

Northwest Quarter (NW/4) except wellbores located as follows: Northeast Quarter of the Northwest Quarter of the Northwest Quarter (NE/ NW/4 NW/4); Northwest Quarter of the Northwest Quarter of the Northwest Quarter (NW/4 NW/4 NW/4); Southeast Quarter of the Northeast Quarter of the Northwest Quarter (SE/4 NE/4 NW/4), all

In Section 13 Township 22S Range 12W and containing \_\_\_\_\_ acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of 2 years from this date called "primary term", and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in the event more than one-eighth (1/8) of the proceeds received by lessee from such asset, for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessor shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the well of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations to ~~be~~ on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part, is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lease held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redress for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

RECEIVED KANSAS CORPORATION COMMISSION

AUG 01 2007

CONSERVATION DIVISION

IN WITNESS WHEREOF, the undersigned parties to this instrument as of the day and year first above written.

George D. Sunday GEORGE D. SUNDAY

Jan M. Sunday JAN M. SUNDAY

Lu Ann Brister Register of Deeds Stafford County, KS Book: 191 Page: 170 Receipt #: 3850 Total Fees: \$12.00 Pages Recorded: 2 Date Recorded: 4/12/2006 9:37:24 AM

# YAHOO! MAIL

**From:** "Jan M. Sunday, M.A." <jan.sunday@sbcglobal.net>  
**To:** "edna ziegler" <ziegleredna@sbcglobal.net>  
**CC:** jan.sunday@sbcglobal.net, georgejans@aol.com  
**Subject:** RE: Mud pit agreement from Bennie Griffin  
**Date:** Thu, 26 Jul 2007 05:41:01 -0500

Electronically signed below by Jan M. Sunday.

**From:** edna ziegler [mailto:ziegleredna@sbcglobal.net]  
**Sent:** Monday, July 23, 2007 3:58 PM  
**To:** jan.sunday@sbcglobal.net  
**Subject:** Mud pit agreement from Bennie Griffin

I give LaVeta Oil & Gas permission to put drilling mud in the reserve pit on my property, the Jan #1 (NW1/4 of Section 13-T22S-R12W Stafford County, Kansas ).

Jan M. Sunday

Jan Sunday  
July 23, 2007

RECEIVED  
KANSAS CORPORATION COMMISSION

JUL 26 2007

CONSERVATION DIVISION  
WICHITA, KS

[http://us0277.mail.yahoo.com/km/ShowLetter?ch=Inbox&MsgId=4377\\_13162775\\_2814\\_7060007](http://us0277.mail.yahoo.com/km/ShowLetter?ch=Inbox&MsgId=4377_13162775_2814_7060007)

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR  
BRIAN J. MOLINE, CHAIR  
ROBERT E. KREHBIEL, COMMISSIONER  
MICHAEL C. MOFFET, 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.

RECEIVED  
KANSAS CORPORATION COMMISSION

JUL 26 2007

CONSERVATION DIVISION  
WICHITA, KS

### 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 land owner 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 land owner 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  
Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us

15-185-23439-00-00

For KCC Use:  
 Effective Date \_\_\_\_\_  
 District # \_\_\_\_\_  
 SGA?  Yes  No

**KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION**

Form G-1  
 December 2002  
 Form must be Typed  
 Form must be Signed  
 All blanks must be Filled

**NOTICE OF INTENT TO DRILL**

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date October 22 2006  
month day year

Spot NW 1/4 \_\_\_\_\_ Sec 13 Twp 22 S. R. 12  East  West  
1870 feet from  N /  S Line of Section  
1580 feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

OPERATOR: License # 32432  
 Name: La Vista Oil & Gas, LLC  
 Address: P.O. Box 780  
Middleburg, VA  
 Contact Person: Mr. Benny C. Griffin  
 Phone: 1-820-459-9222

County: Stafford  
 Lease Name: Jan Well #: 1  
 Field Name: Maxwell

CONTRACTOR: License # 33323  
 Name: Petromark Drilling, LLC (Rig #2)

Is this a Protected / Spaced Field?  Yes  No  
 Target Formation(s): Arbuoke

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh. Rec.	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OAWD	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic: _____ of Holes	<input type="checkbox"/> Wildcat	
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other	

Nearest Lease or unit boundary: 770 ft from S  
 Ground Surface Elevation: 1641 foot MSL  
 Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No

If OAWD: old well information as follows:

Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Depth to bottom of fresh water: 125 ft  
 Depth to bottom of usable water: 180 ft  
 Surface Pipe by Alternate:  1  2

Directional, Deviated or Horizontal wellbore?  Yes  No

If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

Length of Surface Pipe Planned to be set: 343 feet  
 Length of Conductor Pipe required: N/A  
 Projected Total Depth: 3580 feet  
 Formation at Total Depth: Arbuoke

Water Source for Drilling Operations:  
 Well  Farm Pond  Other  
 DWR Permit #: Contractor to Apply for Permit

(Note: Apply for Permit with DWR )  
 Will Corps be taken?  Yes  No  
 If Yes, proposed zone: \_\_\_\_\_

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 56 et. seq.  
 It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any useable water to surface within 120 days of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date of the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 9/18/2006 Signature of Operator or Agent: Robin D. Roach Title: Agent

**For KCC Use ONLY**

API # 15 \_\_\_\_\_ feet  
 Conductor pipe required \_\_\_\_\_ feet  
 Minimum surface pipe required \_\_\_\_\_ feet per Alt. 1 2  
 Approved By: \_\_\_\_\_  
 This authorization expires: \_\_\_\_\_  
 (This authorization void if drilling not started within 6 months of approval date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

**Remember to:**

- File Drill Pit Application (form CDP-1) with Intent to Drill;
  - File Completion Form ACD-1 within 120 days of spud date;
  - File acreage attribution plat according to field protection orders;
  - Notify appropriate district office 48 hours prior to workover or re-entry;
  - Submit plugging report (CP-4) after plugging is completed;
  - Obtain written approval before disposing or injecting salt water.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired  
 Signature of Operator or Agent: \_\_\_\_\_  
 Date: \_\_\_\_\_

Mail to: KCC - Conservation Division, 120 S. Market - Room 2076, Wichita, Kansas 67202

**RECEIVED**  
 KANSAS CORPORATION COMMISSION

**"Haul Off Pit" Location JUL 26 2007**

CONSERVATION DIVISION  
 WICHITA, KS