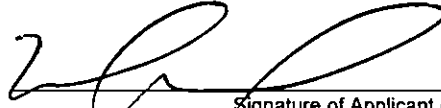


15-007-21613-0000

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: Dixon Energy Inc.		License Number: 3372 ✓	
Operator Address: 8100 E 22nd St N Bldg 1600 Suite C			
Contact Person: Micheal Dixon		Phone Number: 316-264-9632	
Lease Name & Well No.: Z-Bar Ranch 3-1		Pit Location (QQQQ): C SW SW	
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 WP Supply API No. or Year Drilled)</small>		Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: 1/14/2008 Pit capacity: 80 (bbls)	
		Sec. 1 Twp. 35 R. 15 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 660 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Barber County	
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? NA	
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (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. Will haul off fluids.	
Distance to nearest water well within one-mile of pit na 2500 feet Depth of water well _____ feet		Depth to shallowest fresh water 80 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: cement and fresh water Number of working pits to be utilized: 1 Abandonment procedure: let dry and back fill 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.			
Feb. 1, 2008 Date		 Signature of Applicant or Agent	

15-007-21613

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KANSAS CORPORATION COMMISSION
FEB 05 2008
CONSERVATION DIVISION
WICHITA, KS

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: 2/5/08	Permit Number: 15-007-21613-0000	Permit Date: 12/18/07	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

WORKOVER PIT APPLICATION
VERBAL AUTHORIZATION

DATE: 12-18-07 TIME: 11:00 AM
OPERATOR: DIXON-DEACROST CONTACT PERSON: MIKE DIXON
LEASE NAME: 7-Bar Ranch 3-1
C SW SW SEC. 1 TWP. 35 RANGE 15 W COUNTY: Barber.

CONSTRUCTION:

SIZE: WIDTH 8 LENGTH 10 DEPTH 6
ESTIMATED CAPACITY 80 BBLS

TEST DEPTH TO GROUNDWATER (if known): 150'
TYPE OF FLUID: Saltwater Workover Fluids
 Cement Drilling Mud/Cuttings

DOES OPERATOR PLAN TO LINE PIT: YES NO
ESTIMATED TIME BEFORE PIT WILL BE CLOSED: 30 Days
ANY KNOWN WATER WELLS WITHIN 1/4 MILE OF PIT: YES NO

K.C.C. INFORMATION: IS PIT IN SGA? YES NO

K.C.C. DISTRICT #10 RECOMMENDATION (Check One):

- 1. Authorization granted with no liner.
- 2. Authorization granted, if pit is lined.
- 3. Authorization granted, no liner necessary, but free fluids must be removed within _____ hours of completion of workover/plugging operations.
- 4. No verbal authorization will be given without on-site inspection.

*Remind operator that pit permit form must be filed within five (5) days after verbal authorization.

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KANSAS CORPORATION COMMISSION

DEC 21 2007

CONSERVATION DIVISION
WICHITA, KS

RESULTS OF INSPECTION:

None

Steve Dumont

Agent

Date 12-18-07



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

January 24, 2008

Dixon Energy, Inc.
8100 E. 22nd N Bldg. 1600 Ste C
Wichita, KS 67226

RE: Verbal on Workover Pit
Z Bar Ranch Lease 3-1
SW/4 Sec. 01-35S-15W
Barber County, Kansas

Dear Sir or Madam:

According to our files we do not have an application for the above referenced workover pit, district staff gave verbal approval on 12/18/2007. According to K.A.R. 82-600(b) workover pits may be permitted through verbal authorization from the appropriate district office subject to the filing of a surface pond application within five days after the verbal authorization.

Please complete surface pond application form (CDP-1) and return to this office within 14 days of the date of this letter. If this pit has been closed please complete the closure of surface pit form (CDP-4). 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 please feel free to call me at (316) 337-6243.

Sincerely,

Kathy Haynes
Environmental Protection and Remediation Department