

15-077-21601-0000

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

"OFFSITE RESERVE PIT"
Submit in Duplicate

Operator Name: R & B Oil & Gas, Inc.		License Number: 31191	
Operator Address: PO Box 195, Attica, KS 67009			
Contact Person: Randy Newberry		Phone Number: (620) 254 - 7251	
Lease Name & Well No.: Heath #1		Pit Location (QQQQ): McDaniel #1	
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 type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: 4-24-07 Pit capacity: 1200 (bbls)	
		Sec. 11 Twp. 32S R. 9 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660' Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2310' Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Harper County	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" 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? Drilling Mud	
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)			
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.	
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Distance to nearest water well within one-mile of pit 4915 feet Depth of water well 438 feet		Depth to shallowest fresh water 18 feet. Source of information: _____ measured _____ well owner _____ 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: Fresh Water/Drig Mud Number of working pits to be utilized: 1 Abandonment procedure: Evaporate & Backfill _____ 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.			
10-30-07 Date		Jane Swingle Signature of Applicant or Agent	

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KCC OFFICE USE ONLY			
Date Received: 10/21/07	Permit Number: 15-077-21601-0000	Permit Date: 11/2/07	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

McDaniel # 15-077-21582

R & B Oil & Gas, Inc.

P.O. Box 195

Attica, Kansas 67009

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

Email: rboil@attica.net

October 29, 2007

Mr. Bob McDaniel
740 NW 150 Ave
Attica, KS 67009

Dear Mr. McDaniel:

This letter is to acknowledge that Bob McDaniel does hereby grant R & B Oil & Gas, Inc. permission to utilize a drilling pit located in the West Half of the Southwest Quarter of Southeast Quarter of Section Eleven, Township Thirty-Two South, Range Nine West (W/2 SW SE), Harper County, Kansas, (API # 15-077-21582-0000) as an off-site haul-off pit for R & B Oil & Gas, Inc.'s drilling operation of the Heath #1 (API#), located in the Southeast Southeast Northeast of Section Seven, Township Thirty-Two South, Range Nine West (SE SE NE 7-32S-9W), Harper County, Kansas. R & B Oil & Gas, Inc. shall be responsible for the closing of said pit.

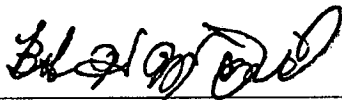
Please sign and return as soon as possible so that we can send to the state.

Becky and I thank you very much for allowing us to do this.

Sincerely,



Randy Newberry



Bob McDaniel

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OCT 31 2007

CONSERVATION DIVISION
WICHITA, KS

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 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.

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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



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

November 2, 2007

Mr. Randy Newberry
R & B Oil & Gas, Inc.
PO Box 195
Attica, KS 67009

Re: Haul-Off Pit Application
Heath Lease Well No. 1
SE/4 Sec. 11-32S-09W
Harper County, Kansas

Dear Mr. 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 within 72 hours 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 (316) 630-4000 when the fluids have been removed. Please file form CDP-5, Exploration and Production Waster 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.

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