15-055-22094-0000



KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1050369

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate Operator Name: OXY USA Inc. License Number: 5447 Operator Address: 5 E GREENWAY PLZ PO BOX 27570 HOUSTON TX 77227 Contact Person: ILAURA BETH HICKERT Phone Number: 620-629-4253 Lease Name & Well No.: MPC A 2 Pit Location (QQQQ): SE . SE . NW Type of Pit: Pit is: Sec. 3 Twp. 25 R. 32 East X West Emergency Pit Burn Pit X Proposed Existing Drilling Pit Settling Pit If Existing, date constructed: 2,400 Feet from X North / South Line of Section Workover Pit X Haul-Off Pit 2,400 _Feet from ___ East / [X] West_Line of Section (If WP Supply API No. or Year Drilled) Pit capacity: 14,000 Finney County Is the pit located in a Sensitive Ground Water Area? X Yes Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) Is the bottom below around level? **Artificial Liner?** How is the pit lined if a plastic liner is not used? X Yes Yes X No BENTONITE AND CUTTINGS 125 125 Pit dimensions (all but working pits): Length (feet) N/A: Steel Pits Width (feet) Depth from ground level to deepest point: (feet) No Pit If the pit is lined give a brief description of the liner Describe procedures for periodic maintenance and determining material, thickness and installation procedure. liner integrity, including any special monitoring. Distance to nearest water well within one-mile of pit: 120 Depth to shallowest fresh water feet. Source of information: 2240 320 measured feet Depth of water well well owner electric log X KDWR . feet Emergency, Settling and Burn Pits ONLY: Drilling, Workover and Haul-Off Plts ONLY: FRESH WATER MUD Producing Formation: Type of material utilized in drilling/workover: Number of producing wells on lease: _ Number of working pits to be utilized: **EVAPORATION AND BACKFILL** Barrels of fluid produced daily: Abandonment procedure: Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill pits must be closed within 365 days of spud date. Submitted Electronically KCC OFFICE USE ONLY Liner Steel Pit X RFAC RFAS Date Received: 02/03/2011 15-055-22094-00-00 02/04/2011 X Yes No Permit Number Permit Date: Lease Inspection:

Kansas Corporation Commission Oil & Gas Conservation Division

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607.	DISPOSAL OF DIKE AND PIT CONTENTS.
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- (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: \square Yes \square 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 ocated, to the haul-off pit application.

Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichite, KS 67202-3802



phone: 316-337-6200 fax: 316-337-6211 http://kcc.ks.gov/

Thomas E. Wright, Chairman Ward Loyd, Commissioner

Corporation Commission

Sam Brownback, Governor

February 04, 2011

ILAURA BETH HICKERT OXY USA Inc. 5 E GREENWAY PLZ PO BOX 27570 HOUSTON, TX 77227-7570

Re: Drilling Pit Application MPC A 2 Sec.03-25S-32W Finney County, Kansas

Dear ILAURA BETH HICKERT:

District staff has inspected the above referenced location and has determined that the Haul-Off pit shall be constructed <u>without slots</u>, 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 96 hours of completion of drilling operations.

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.