

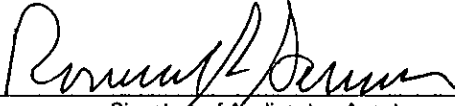
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

15-025-21420-0000

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: FALCON EXPLORATION, INC.		License Number: 5316
Operator Address: 125 N. MARKET, SUITE 1252, WICHITA, KS 67202		
Contact Person: RONALD S. SCHRAEDER		Phone Number: (316) 262 - 1378
Lease Name & Well No.: YBC #1-5(NE)		Pit Location (QQQQ): E S2 SW SE NE
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: 12/11/06 Pit capacity: _____ (bbbls)	Sec. 35 Twp. 30S R. 22 <input type="checkbox"/> East <input checked="" type="checkbox"/> West * 200 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section * 2076 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section CLARK 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? NATIVE CLAY AND MUD
Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 3.5 (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.
Distance to nearest water well within one-mile of pit 2805 feet Depth of water well 209 feet		Depth to shallowest fresh water 170 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: CHEMICAL MUD Number of working pits to be utilized: 30S Abandonment procedure: LET DRY COMPLETELY. THEN BACKFILL WHEN CONDITIONS ALLOW. 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.		RECEIVED KANSAS CORPORATION COMMISSION
7/16/07 Date	 Signature of Applicant or Agent	JUL 17 2007 CONSERVATION DIVISION WICHITA, KS

15-025-21420-H

KCC OFFICE USE ONLY		REAS C
Date Received: 7/17/07	Permit Number: 15-025-21420-0000	Permit Date: 7/18/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



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

July 18, 2007

Mr. Ronald Schraeder
Falcon Exploration, Inc.
125 N. Market Ste 1252
Wichita, KS 67202

RE: Haul-Off Pit Application
YBC (NE) Lease Well No. 1-5
SE/4 Sec. 33-30S-22W
Clark County, Kansas

Dear Mr. Schraeder:

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.

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

FALCON EXPLORATION, INC.
OIL & GAS EXPLORATION

125 N. MARKET, SUITE 1252
WICHITA, KANSAS 67202

TELEPHONE: (316)262-1378
FAX: (316)265-3354

July 18, 2007

Mr. Fred G. Apt, Jr.
Young Brothers Cattle Company, Inc.
301 N. Jefferson
Iola, Kansas 66749

Re: YBC #1-5(NE)
NE/4 Section 5-31S-22W
Clark County, Kansas

Dear Mr. Apt:

Falcon Exploration Inc. is preparing to drill the above captioned well. The Kansas Corporation Commission has determined that no earthen drilling pits are to be used at this location.

The purpose of my writing this date is to satisfy the Kansas Corporation Commission that Falcon has obtained your permission to use the existing pits located at the YBC(SE) #1-33 location in the SE/4 Section 33-30S-22W to haul the mud cuttings from the above captioned well to those pits.

Our field supervisor, Leon Kuhn talked with Roger Giles about re-using the YBC pits. Mr. Giles said that would be acceptable.

Should you have any questions or concerns please do not hesitate to give me a call.


Sincerely,

FALCON EXPLORATION INC.


Cynde Wolf

/clw

Agreed to this 17 day of July, 2007 to re-use the YBC(SE) #1-33 pits for the drilling of the YBC #1-5(NE).


Fred G. Apt, Jr. Resident Agent for
Young Brothers Cattle Company, Inc.
Consultant
301 No. Jefferson
Iola, Kansas 66749

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 17 2007

CONSERVATION DIVISION
WICHITA, KS