

ORIGINAL

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

Form GDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: LASSO ENERGY LLC		License Number: 34320	
Operator Address: P.O. BOX 465 - 1125 SOUTH MAIN CHASE		KANSAS 67524 0465	
Contact Person: BRUCE D. KELSO		Phone Number: 918-633-9655	
Lease Name & Well No.: PETROS 1		Pit Location (QQQQ): NE NE NE NE	
Type of Pit: X RESERVE PIT <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" 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) 185-20465-0001</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: N/A Pit capacity: 500 (bbls)	Sec. 3 Twp. 24 R. 14 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 400 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 275 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section STAFFORD County	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: 30,000 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? MUDDED OFF WITH MUD CAKE	
Pit dimensions (all but working pits): 75 Length (feet) 75 Width (feet) Depth from ground level to deepest point: 4 (feet)		<input checked="" type="checkbox"/> N/A: Steel Pits <input type="checkbox"/> No Pit.	
If the pit is lined give a brief description of the liner material, thickness and installation procedure. NO LINER WILL BE USED UNLESS SPECIFIED BY THE KCC		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. NO LINER WILL BE USED UNLESS SPECIFIED BY THE KCC	
Distance to nearest water well within one-mile of pit: 1880 feet Depth of water well 82 feet		Depth to shallowest fresh water 31 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: 0 Barrels of fluid produced daily: 0 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 AND NEW DRILLING MUD Number of working pits to be utilized: Abandonment procedure: ALLOW PITS TO FULLY DRY, BACK FILL, REPLACE TOP SOIL ON TOP, LEVEL OFF LAND 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. * Remove free water from reserve pit within 96 hours			
MARCH 07, 2011 Date		Signature of Applicant or Agent	

RECEIVED

MAR 08 2011

KCC WICHITA


KCC OFFICE USE ONLY			
Date Received: 3-8-11	Permit Number: 15-185-20465-0001	Permit Date: 3-7-11	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS	

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		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC ^{96HRS} <input type="checkbox"/> RFAS	

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

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, 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

March 7, 2011

Lasso Energy, LLC
PO Box 465
1125 S. Main
Chase, KS 67524-0465

Re: Haul-Off Pit Application
Petros Lease Well No. 1
NE/4 Sec. 03-24S-14W
Stafford County, Kansas

Dear Sir or Madam:

District staff has reviewed 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 96 hours after drilling operations have ceased.

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, 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,

A handwritten signature in black ink, appearing to read "Kathy Haynes".

Kathy Haynes
Environmental Protection and Remediation Department

cc: district

Kansas Corporation Commission Oil & Gas Conservation Division

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.

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.