



KANSAS CORPORATION COMMISSION 1058253  
OIL & GAS CONSERVATION DIVISION

Form CDP-1  
May 2010  
Form must be Typed

**APPLICATION FOR SURFACE PIT**

Submit in Duplicate

Operator Name: <b>Iuka-Carmi Development LLC</b>		License Number: <b>31739</b>	
Operator Address: <b>PO BOX 847</b>		<b>PRATT KS 67124</b>	
Contact Person: <b>Kenny C. Gates</b>		Phone Number: <b>620-672-2531</b>	
Lease Name & Well No.: <b>Stone 1-24</b>		Pit Location (QQQQ): <u>W2 SW SE</u> Sec. <u>28</u> Twp. <u>33</u> R. <u>19</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>660</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>2310</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Barber</b> County	
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 (If WP Supply API No. or Year Drilled)		Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: <u>4/23/2011</u> Pit capacity: <u>4900</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
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? <b>Native soil</b>			
Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>100</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits		Depth from ground level to deepest point: <u>4</u> (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.	
Distance to nearest water well within one-mile of pit: <u>3405</u> feet    Depth of water well <u>43</u> feet		Depth to shallowest fresh water <u>12</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>Drilling</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Haul off Contents, Natural Evaporation</u> Drill pits must be closed within 365 days of spud date.	
<b>Submitted Electronically</b>			

<b>KCC OFFICE USE ONLY</b>			
Date Received: <u>06/24/2011</u>	Permit Number: <u>15-007-23724-00-00</u>	Permit Date: <u>06/24/2011</u>	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 checked="" type="checkbox"/> RFAS

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

# 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 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:  
 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.

Iuka Carmi Development LLC

PO Box 907

Pratt, Kansas 67124

(620)672-9571

I Chad Cargill give permission to Iuka Carmi Development LLC to use the following location W2-SW-SE Sec 23 Twp. 31 R. 12 W. for a Haul Off Pit Location for the Drilling of a well on the Stone Lease location.

Chad Cargill

Signed

6/18/11

Date

Donald W. Jones

Witnessed

06-18-11

Date

**RICHARD N. RALEIGH**  
Attorney at Law  
P.O. Box 248  
Medicine Lodge, Kansas 67104  
rraleigh@sctelcom.net  
FAX #620-886-5020  
Phone #620-886-5646

June 12, 2006


Pratt Well Service  
P. O. Box 847  
Pratt, Kansas 67124

Re: Pike Family Bypass Trust, Barber County, Kansas

Gentlemen:

I am enclosing a copy of the Mineral Deed wherein the Pike Family Bypass Trust has sold their interest in the minerals in the property described therein to Chad and Patricia Cargill. I would appreciate your issuing division orders so that production after May 31, 2006 can be paid to them.

Yours truly,

  
Richard N. Raleigh  
Attorney at Law

RNR/ljg

Enclosure

cc: Mr. & Mrs. Chad Cargill  
8600 NE Isabel Road  
Isabel, Kansas 67065

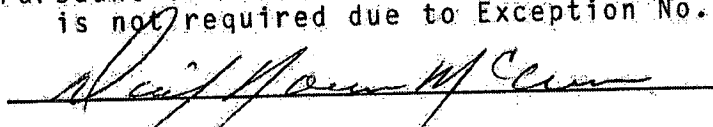
# MINERAL DEED

On this 26 day of May, 2006, **DAVID NORMAN McCUAN**, Trustee of the Pike Family Bypass Trust dated December 16, 2000, and **JOANNE PIKE**, individually and as Trustee of the Pike Family Trust dated June 3, 1982, as amended and restated on March 29, 1999, convey all of the interests of said trusts and themselves as individuals in and to the minerals in, under and appurtenant to the following described property located in Barber County, Kansas, to **CHAD CARGILL** and **PATRICIA CARGILL**, his wife:

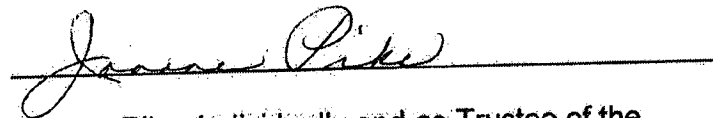
The South Half of the Southeast Quarter (S/2 SE/4) and the South Half of the Southwest Quarter (S/2 SW/4) of Section Ten (10) and the West Half of the Southwest Quarter (W/2 SW/4) of Section Fourteen (14) and all of Section Fifteen (15) and the East Half of the East Half (E/2 E/2) of Section Twenty-two (22) and the West Half of the Northwest Quarter (W/2 NW/4) and the Southeast Quarter of the Northwest Quarter (SE/4 NW/4) and the Southwest Quarter (SW/4) and the Southwest Quarter of the Southeast Quarter (SW/4 SE/4) of Section Twenty-three (23) and the East Half (E/2) and the East Half of the West Half (E/2 W/2) of Section Twenty-six (26) and the Northwest Quarter of the Northeast Quarter (NW/4 NE/4) of Section Twenty-seven (27), Township Thirty-one (31) South, Range Twelve (12) West of the 6<sup>th</sup> Principal Meridian,

for the sum of One Dollar and Other Valuable Consideration.

Pursuant to K.S.A. 79-1437 a Real Estate Validation Questionnaire is not required due to Exception No. 6.



David Norman McCuan, Trustee of the  
Pike Family Bypass Trust dated December 16, 2000.



Joanne Pike, Individually and as Trustee of the  
Pike Family Trust dated June 3, 1982  
(as amended and restated on March 29, 1999)

State of Kansas, Barber Co., SS  
This Instrument was filed for record on  
the 31 day of May  
2006 at 10:02 o'clock AM, and  
duly recorded in book 309 on page 189  
Betty Jo Swayden  
Register of Deeds  
Fees \$12.00

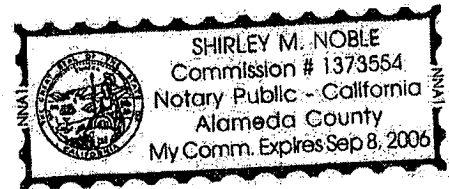


State of California )  
 ) ss  
County of Alameda )

On May 26, 2006, before me, **Shirley M. Noble**, notary public, personally appeared **David Norman McCuan** and **Joanne Pike**, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

**WITNESS** my hand and official seal.

*Shirley M. Noble*  
Shirley M. Noble, Notary Public



(Seal)

My commission expires: 09-08-2006

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/>

Sam Brownback, Governor

Mark Sievers, Chairman  
Ward Loyd, Commissioner  
Thomas E. Wright, Commissioner

June 24, 2011

Kenny C. Gates  
Iuka-Carmi Development LLC  
PO BOX 847  
PRATT, KS 67124-0847

Re: Haul-Off Pit Application  
Stone 1-24  
Sec.23-31S-12W  
Barber County, Kansas

Dear Kenny C. Gates:

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 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.

**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.