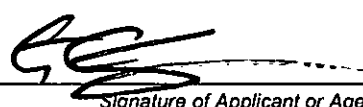


15-095-01618-0000

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

Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: KC Resources, Inc.		License Number: 3880	
Operator Address: P.O. Box 6749, Snowmass Village, CO 81615			
Contact Person: Tony Shumsky		Phone Number: 970-927-2764	
Lease Name & Well No.: Cunningham B Unit #1-7		Pit Location (QQQQ): SE - SE - SW -	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 100 _____ (bbls)	
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? clay lined			
Pit dimensions (all but working pits): 10 _____ Length (feet) 4 _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 _____ (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. Daily monitoring by pumper.	
Distance to nearest water well within one-mile of pit: 1/2 mile <u>889</u> feet Depth of water well <u>111</u> feet		Depth to shallowest fresh water <u>50</u> <u>52</u> feet. KCC WICHITA Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input 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: <u>fresh water & cement</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>evaporate & cover</u> 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.			
<u>6-24-11</u> Date		 Signature of Applicant or Agent	

KCC OFFICE USE ONLY			
Date Received: <u>6-27-11</u>		Permit Number: <u>15-095-01618</u>	
Permit Date: <u>6-28-11</u>		Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		<input checked="" type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS	

**WORKOVER PIT APPLICATION
VERBAL AUTHORIZATION**

DATE: 6-23-11 TIME: 3:57 PM
OPERATOR: KC Resources CONTACT PERSON: Gary Schilling
LEASE NAME: Miles CBD-1-7
SE SEC. 19 TWP. 27 RANGE 10 E COUNTY: KN

CONSTRUCTION:
SIZE: WIDTH 8' LENGTH 12' DEPTH 5-6' - by Dave Younger
ESTIMATED CAPACITY 100 BBLs on 6-23-11

EST. DEPTH TO GROUNDWATER (if known): 2
TYPE OF FLUID: Saltwater Workover Fluids
 Cement Drilling Mud/Cuttings

DOES OPERATOR PLAN TO LINE PIT: YES NO
ESTIMATED TIME BEFORE PIT WILL BE CLOSED: 3-4 Days
ANY KNOWN WATER WELLS WITHIN 1/4 MILE OF PIT: YES NO

K.C.C. INFORMATION: IS PIT IN SGA? YES NO

K.C.C. DISTRICT #2 RECOMMENDATION (Check One):

- 1. Authorization granted with no liner.
- 2. Authorization granted, if pit is lined.
- 3. Authorization granted, no liner necessary, but free fluids must be removed within _____ hours of completion of workover/plugging operations.
- 4. No verbal authorization will be given without on-site inspection.

*Remind operator that pit permit form must be filed within five (5) days after verbal authorization.

→ Did remind.

RESULTS OF INSPECTION:

- To use pit liner -

V.C.

Agent

Date 6-23-11