KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1071440

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Lasso Energy LLC | License Number: 34320

Operator Address: PO Box 465 1125 SOUTH MAIN Chase KS 67524

Contact Person: BRUCE D. KELSO | Phone Number: 918-633-9655

Lease Name & Well No.: CARVER 1

Pit Location (QQQQ): ____ - ____ - E2 - SE

Sec. 25 Twp. 31 R. 4 ☒ East ☐ West

1320 Feet from ☐ North / ☒ South Line of Section

660 Feet from ☒ East / ☐ West Line of Section

Cowley County

Type of Pit:
☐ Emergency Pit ☐ Burn Pit
☐ Settling Pit ☐ Drilling Pit
☒ Workover Pit ☐ Haul-Off Pit
(If WP Supply API No. or Year Drilled)
15-035-19261-00-00

Pit is:
☒ Proposed ☐ Existing
If Existing, date constructed: ____
Pit capacity: 170 (bbls)

Is the pit located in a Sensitive Ground Water Area? ☒ Yes ☐ No

Chloride concentration: ____ mg/l
(For Emergency Pits and Settling Pits only)

Is the bottom below ground level? ☒ Yes ☐ No

Artificial Liner? ☒ Yes ☐ No

How is the pit lined if a plastic liner is not used?

Pit dimensions (all but working pits): 16 Length (feet) 10 Width (feet) ☐ N/A: Steel Pits

Depth from ground level to deepest point: 6 (feet) ☐ No Pit

If the pit is lined give a brief description of the liner material, thickness and installation procedure.

24 MIL WOVEN PE THAT IS COATED BLACK ON BOTH SIDES. INSTALLED PER INSTRUCTIONS ON LINER PACKAGE.

Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.

CONSTANTLY VISUALLY LOOK FOR LEAKS, HOLES AND OBSERVE AND NOTE FLUID LEVEL AND WATER LOSS IN PIT - LOOK FOR WET SOIL

Distance to nearest water well within one-mile of pit:
420 feet Depth of water well 25 feet

Depth to shallowest fresh water 25 feet.
Source of information:
☐ measured ☒ well owner ☐ electric log ☐ 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? ☐ Yes ☐ No

Drilling, Workover and Haul-Off Pits ONLY:

Type of material utilized in drilling/workover: FRESH WATER

Number of working pits to be utilized: 1

Abandonment procedure: VACUUM OUT FLUIDS, HAUL TO DISPOSAL, ~~FOLD UP LINER FOR DISPOSAL IN TRASH,~~ BACK FILL, PUT TOP SOIL BACK ON TOP

Drill pits must be closed within 365 days of spud date.

Submitted Electronically

KCC OFFICE USE ONLY

☒ Liner ☐ Steel Pit ☒ RFAC ☐ RFAS

Date Received: 01/06/2012 Permit Number: 15-035-19261-00-00 Permit Date: 01/09/2012 Lease Inspection: ☒ Yes ☐ No

Mail 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

Kansas
Corporation Commission

Phone: 316-337-6200
Fax: 316-337-6211
http://kcc.ks.gov/

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

Sam Brownback, Governor

January 09, 2012

BRUCE D. KELSO
Lasso Energy LLC
PO Box 465
1125 SOUTH MAIN
Chase, KS 67524-0465

Re: Drilling Pit Application
CARVER 1
Sec.25-31S-04E
Cowley County, Kansas

Dear BRUCE D. KELSO:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the Workover pit be lined. If a plastic liner is to be used it must have a minimum thickness of 10 mil. Integrity of the liner must be maintained at all times.

NO completion fluids or non-exempt wastes shall be placed in the Workover pit.

The free fluids in the Workover pit should be removed as soon as practical after drilling operations have ceased. The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 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 (316) 630-4000.