

**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: Wallace Energy, Inc.		License Number: 9531 ✓
Operator Address: 2690 17 Road Plainville, Kansas 67601		
Contact Person: Rick Wallace		Phone Number: 785-434-2724
Lease Name & Well No.: Addison 1 (16-1)		Pit Location (QQQQ): _____ NW _____ NW _____ SE Sec. 10 Twp. 10 R. 18 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2,771 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2,672 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Rooks _____ 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 checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small> 15-163-23641-00-00	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 150 _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): 25 Length (feet) 10 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. 10 mil plastic, single piece to line bottom and sides of pit		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Daily visual inspection
Distance to nearest water well within one-mile of pit: 2876 feet Depth of water well 50 feet		Depth to shallowest fresh water 30 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: _____ 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: Fresh water Number of working pits to be utilized: 1 Abandonment procedure: Dewater, air dry and backfill 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. June 27, 2012 _____ Date Signature of Applicant or Agent		
KCC OFFICE USE ONLY		
Date Received: 6-28-12 Permit Number: 15-163-23641-0000 Permit Date: 6-29-12 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

**RECEIVED
JUN 28 2012
KCC WICHITA**