

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

Form CDP-1  
April 2004  
Form must be Typed

Submit in Duplicate

Operator Name: <b>GW Energy, LLC</b>		License Number: <b>34064</b>
Operator Address: <b>225 N. Market Street, Ste. #230, Wichita, Kansas 67202</b>		
Contact Person: <b>David P Williams</b>		Phone Number: <b>316-263-4930</b>
Lease Name & Well No.: <b>Lies #-3-0</b>		Pit Location (QQQQ):
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 <small>(If WP Supply API No. or Year Drilled)</small>		AP    Se    Ne    Se Sec. <u>6</u> Twp. <u>33</u> R. <u>9</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1,640</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>330</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <u>Harper</u> County
Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)		
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input 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): <u>40</u> Length (feet) <u>60</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.
		RECEIVED KANSAS CORPORATION COMMISSION <b>JAN 11 2008</b> CONSERVATION DIVISION WICHITA, KS
Distance to nearest water well within one-mile of pit <u>2727</u> feet    Depth of water well <u>40</u> feet		Depth to shallowest fresh water <u>40</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input 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 Mud and cuttings</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Evaporate Free fluids and remove solid materials and spread (land farm) during site restoration.</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.		
_____ Date: <u>1/11/08</u>		_____ Signature of Applicant or Agent
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>1/11/08</u> Permit Number: <u>15-077-21609-00:00</u> Permit Date: <u>1/14/08</u>		Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/> <u>72 HRS</u>
Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-077-21609-00000



*Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner*

January 14, 2008

Mr. David P. Williams  
GW Energy, LLC  
225 N. Market Ste 230  
Wichita, KS 67202

Re: Haul-Off Pit Application  
Lies Lease Well No. 3-0  
SE/4 Sec. 06-33S-09W  
Harper County, Kansas

Dear Mr. Williams:

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 within 72 hours after drilling operations have ceased.

**If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.**

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, 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](http://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 that reads "Kathy Haynes".

Kathy Haynes  
Environmental Protection and Remediation Department

cc: district

225 N. Market Street  
Suite #230  
Wichita, Kansas 67202



Phone: 316-263-4930  
Mobil: 316-303-4932  
Fax: 316-263-4935  
Website: www.gwenergyllc.com

# GW Energy LLC

Mr. and Mrs. Richard Hendricks  
1654 SE Capalpa Road  
Sharon, Kansas 67138

January 10, 2008

Dear Mr. and Mrs. Hendricks,

This letter is written to set forth our agreement between GW Energy, LLC and you, for the authorization to place and use of a "haul-off pit" to be located within the southwest quarter of Section 25, Township 32 South, Range 10 West, Barber County, Kansas, <sup>in SE 1/4 of Sec 6 33 50</sup> <sub>9 west Harper Co, KS on the Hendricks lease.</sub>

*R.L.H.*  
*M.M.H.*  
*DAW*

This "haul-off pit" will be located within the same quarter section as the Ricke "OWWO" salt water disposal well, and in close proximity to an existing "haul-off pit" that was used during the drilling of the Hendrick's wells in the same section, This "haul-off pit" will be used pursuant to the State Corporation Commissions Rules and Regulations.

As landowner, you hereby give GW Energy, LLC authorization to place and use a "haul-off pit" on this acreage.

Sincerely,

*David P. Williams*

David P. Williams, P.G.  
Co-Manager - GW Energy, LLC

*Richard L Hendricks*  
*Monna Marie Hendricks*  
Landowner Signature

1-11-08  
Date

Subscribed and sworn this 11th day of January, 2008

Notary Public Todd L Drquhard

My date expires: 4-15-2009

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KANSAS CORPORATION COMMISSION

JAN 11 2008

CONSERVATION DIVISION  
WICHITA, KS

TODD L. DRQUHARD  
Notary Public - State of Kansas  
My Appt. Expires 4-15-08

225 N. Market Street  
Suite #230  
Wichita, Kansas 67202



Phone: 316-263-4930  
Mobil: 316-303-4932  
Fax: 316-263-4935  
Website: www.gwenergyllc.com

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1654 SE Capalpa Road  
Sharon, Kansas 67138

January 10, 2008

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B.M.H.  
D.W.*

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Sincerely,

*David P. Williams*

David P. Williams, P.G.  
Co-Manager - GW Energy, LLC

*Richard L. Hendricks*  
*Monna Marie Hendricks*  
Landowner Signature

*1-11-08*  
Date

Subscribed and sworn this 11<sup>th</sup> day of January, 2008

Notary Public Todd L. Drquhard

My date expires: 4-15-2009

TODD L. DRQUHARD  
Notary Public - State of Kansas  
My Appt. Expires 4-15-08

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JAN 11 2008  
CONSERVATION DIVISION  
WICHITA, KS

**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 landowner 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 landowner 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.

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

Form CDP-1  
April 2004  
Form must be Typed

Operator Name: <b>GW Energy LLC</b>		License Number: <b>34064</b>
Operator Address: <b>225 North Market Street, Ste. #230</b>		<b>Wichita KS 67202</b>
Contact Person: <b>David P. Williams</b>		Phone Number: <b>(316) 263-4930</b>
Lease Name & Well No.: <b>Lies 2-30</b>		Pit Location (QQQQ): <u>NE SW NW SW</u> Sec. <u>30</u> Twp. <u>32</u> R. <u>9</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1933</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>510</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>Harper</u> County
Type of 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)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input type="checkbox"/> Yes <input checked="" 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>Steel Tanks with Fluid Removal</b>
Pit dimensions (all but working pits): _____ Length (feet)    _____ Width (feet) <input checked="" type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (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. <b>Haul-Off Pit will be utilized.</b>
Distance to nearest water well within one-mile of pit <u>924</u> feet    Depth of water well <u>37</u> feet		Depth to shallowest fresh water <u>17</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 Fluids (Bentonite)</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Evaporate all fluid and remove solid materials and spread (land farm) during site restoration.</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.  Date: <u>01/11/2008</u> Signature of Applicant or Agent: <u>David P. Williams</u>		

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**JAN 11 2008**  
CONSERVATION DIVISION  
WICHITA, KS

15-077-21609-0000

<b>KCC OFFICE USE ONLY</b>		Steel Pit <input checked="" type="checkbox"/>	RFAC <input checked="" type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: <u>1/11/08</u>	Permit Number: _____	Permit Date: <u>1/11/08</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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