

**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: Iua/Carmi Development LLC		License Number: 31739
Operator Address: PO Box 907 Pratt, Kansas 67124		
Contact Person: Kenneth C Gates		Phone Number: (620) 672 - 9571 Ext 5
Lease Name & Well No.: Hendricks #3		Pit Location (QQQQ): SE SW SE
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>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: 10,260 (bbls)	Sec. 6 Twp. 33s R. 9 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 144' Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1333' Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Harper County
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 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? Natural Clay
Pit dimensions (all but working pits): 120 Length (feet) 120 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 4' (feet)		
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 4502 feet Depth of water well 40 feet		Depth to shallowest fresh water 20 feet. Source of information: _____ measured 1 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? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Drilling Mud/Cuttings Number of working pits to be utilized: None Abandonment procedure: close after pits are dry. 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. RECEIVED KANSAS CORPORATION COMMISSION		
4/10/2007 Date		Kenneth C Gates Signature of Applicant or Agent APR 11 2007 CONSERVATION DIVISION WICHITA, KS
KCC OFFICE USE ONLY		
Date Received: 4/11/07 Permit Number: 15-007-23139-00-00 Permit Date: 4/11/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		RFA 72MRS Bent,

15-007-23139-00-00

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

* well located in Sec 25-32S-10W Barber CTY -

Fax Dist 4/12/07
Called ope 4/12/07



*Kathleen Sebelius, Governor
Brian J. Moline, Chair
Robert E. Krehbiel, Commissioner
Michael C. Moffet, Commissioner*

June 8, 2007

Mr. Kenneth Gates
Iuka/Carmi Development, LLC
PO Box 907
Pratt, KS 67124

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

Dear Mr. 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 lined with bentonite**. The free fluids must 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.

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,


Kathy Haynes
Environmental Protection and Remediation Department

cc: D Louis

IUKA/CARMI DEVELOPMENT LLC
PO 907
PRATT, KANSAS 67124
(620) 672-9571

Richard & Monica Hendricks
4654 SE Catalpa Rd.
Sharon KS 67138

Iuka/Carmi Development LLC has permission to transfer drilling mud and fluid from
Henricks #3 located 1415' FNL and 945' FWL of Section 25-32S-10W Barber County,
Kansas to a haul off pit located in the SE/4 of Section 6-33S-9W Harper County,
Kansas.

Richard Hendricks
Richard Hendricks

Dated Jan 15 - 07

Monica Marie Hendricks
Monica Hendricks

Dated 6/15/07

To Kathy H

Bentonite & 72

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