

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1100706

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: OXY USA Inc.			License Number: 5447		
Operator Address: 5 E GREENWA	Y PLZ	PO I	BOX 27570 HOUSTON TX 77227		
Contact Person: LAURA BETH HICKERT			Phone Number: 620-629-4253		
Lease Name & Well No.: GARDEN CITY V 3		Pit Location (QQQQ):			
Type of Pit: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water A	Artificial Liner?	(bbls)	W2 _ W2 _ W2 _ NW Sec. 27 _ Twp. 23 _ R. 34 East X West 1320		
X Yes No Yes X No BENTONITE AND CUTTINGS					
material, thickness and installation procedure. Distance to nearest water well within one-mile	of pit:	Depth to shall	ncluding any special monitoring. Dividing any special monitoring. Dividing any special monitoring.		
1102feet Depth of water well	305 feet	Source of informeasured			
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 Submitted Electronically		Type of materi Number of wo	Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Number of working pits to be utilized: Abandonment procedure: EVAPORATION AND BACKFILL Drill pits must be closed within 365 days of spud date.		
KCC OFFICE USE ONLY Liner Steel Pit X RFAC X RFAS					
Date Received: 12/04/2012 Permit Nun	15-055-2217	5-00-00 Pern	nit Date: 12/04/2012 Lease Inspection: X Yes No		

Kansas Corporation Commission Oil & Gas Conservation Division

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

2-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.	32-3-607.
(a) Each operator shall perform one of the following when disposing of dike or pit contents:	(a)
(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;	(1)
(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	(2)
(3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:	(3)
(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:	(b)
 (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. 	(2)
Complete and return with Haul-Off Pit Application, Form CDP1(2004)	Complete a

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 land owner 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 land owner 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.

Haul-off pit will be located in an on-site disposal area: ✓ Yes □ No

Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichito, KS 67202-3802



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

Sam Brownback, Governor

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner

December 04, 2012

LAURA BETH HICKERT OXY USA Inc. 5 E GREENWAY PLZ PO BOX 27570 HOUSTON, TX 77227-7570

Re: Drilling Pit Application GARDEN CITY V 3 Sec.27-23S-34W Finney County, Kansas

Dear LAURA BETH HICKERT:

District staff has inspected the above referenced location and has determined that the Haul-Off pit shall be constructed <u>without slots</u>, 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 as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the Haul-Off pit has occurred. The fluids should be removed again within 96 hours after drilling operations have ceased.

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

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 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 (620) 225-8888.