



KANSAS CORPORATION COMMISSION 1105361
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| | | | |
|---|---|--|--|
| Operator Name: N-10 Exploration, LLC | | License Number: 34352 | |
| Operator Address: 124 N MAIN | | PO BOX 195 ATTICA KS 67009 | |
| Contact Person: Randy Newberry | | Phone Number: 620-254-7251 | |
| Lease Name & Well No.: Medicine River Ranch D9 | | Pit Location (QQQQ): W2 SE SE NE Sec. 10 Twp. 34 R. 11 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2970 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 400 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Barber 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 type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i> | Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: 11/09/2012 Pit capacity: 4800 (bbls) | | |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i> | |
| 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? Native mud and clays | |
| Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (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. | |
| Distance to nearest water well within one-mile of pit: 3069 feet Depth of water well 40 feet | | Depth to shallowest fresh water 5 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: Mud Number of working pits to be utilized: 3 Abandonment procedure: Haul off fluids and let dry Drill pits must be closed within 365 days of spud date. | |
| Submitted Electronically | | | |

| | | | |
|----------------------------------|--|---|---|
| KCC OFFICE USE ONLY | | | |
| Date Received: 12/19/2012 | Permit Number: 15-007-23977-00-00 | Permit Date: 12/19/2012 | Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| | | <input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS | |

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

Kansas Corporation Commission Oil & Gas Conservation Division

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 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.

N-10 EXPLORATION, LLC

P.O. Box 195

Attica, Kansas 67009

Phone: 620-254-7251 ~ Fax: 620-254-7281

Email: rboil@sutv.com

December 7, 2012

Medicine River Ranch Operating Company, LLC

Attn: Harry Dawson

3251 NW Willow Rd.

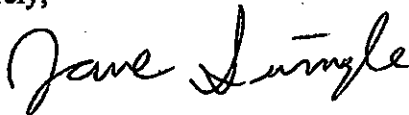
Medicine Lodge, KS 67104

Dear Mr. Dawson:

This letter is to acknowledge that Medicine River Ranch Operating Company, LLC, does hereby grant N-10 Exploration, LLC, permission to utilize the Medicine River Ranch D8's pit (API # 15-007-23967-00-00), which is located in the W/2 SE SE NE of Sec. 10-34S-11W, Barber County, Kansas, as an on-site haul-off pit for N-10 Exploration, LLC's drilling operation of the Medicine River Ranch D9, which has a spot location of approximately W/2 SE NE NE of Sec. 10-34S-11W, Barber County, Kansas (API # will be assigned at a later date). N-10 Exploration, LLC shall be responsible for the closing of said pit.

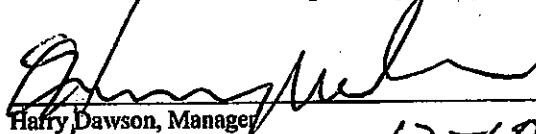
Please sign and return as soon as possible so that we may forward on to the state.

Sincerely,



Jane Swingle

Medicine River Ranch Operating Company, LLC



Harry Dawson, Manager

12-10-12

Date

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



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

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

Sam Brownback, Governor

December 19, 2012

Randy Newberry
N-10 Exploration, LLC
124 N MAIN
PO BOX 195
ATTICA, KS 67009

Re: Drilling Pit Application
Medicine River Ranch D9
Sec. 10-34S-11W
Barber County, Kansas

Dear Randy Newberry:

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 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.