

Kansas Corporation Commission  
Conservation Division  
202 West First Street  
200 Colorado Derby Building  
Wichita, KS 67202-1286

Permit #: 15-015-20,437-00-00

Lease Name: Rock Unit Northeast #1.  
(Pottorff #6)

Legal Description: W 1/2 E 1/2 SW 1/4

**APPLICATION FOR SURFACE POND**

Location of Pond or Pits:

Surface Pond: (Indicate Type)  Plugging pit

1220 feet from South section line

Emergency Pit  Burn Pit

3630 feet from East section line

Storage Pit  Drilling Pit

Section 29 Twp. 29 S Rng. 5 E ~~W~~

Operator License: 6044

County: Butler

Operator: Stelbar Oil Corporation, Inc.

Contact Person responsible for operation of lease:

Address: 155 North Market, Suite #500

Dave Wilderom

Wichita, Kansas 67202

Phone: (316) 782-3613

**EMERGENCY, STORAGE AND BURN PITS ONLY:**

1. Producing Formation(s) \_\_\_\_\_
2. This lease has 1 producing wells that produce 40 bbls. of fluid per day.
3. How is the pond sealed to insure all fluids are contained in the pond, including the bottom of the pond? (If plastic liner used, specify thickness in mil.) \_\_\_\_\_
4. What is the maximum capacity of the pond in bbls? 30
5. Does the slope from the tank battery allow for all spilled fluids to flow into the pond? Yes  No
6. Dimensions of the pond: Length 15' Width 6' Avg. Depth 3'
7. Additional construction details or information: \_\_\_\_\_

RECEIVED  
STATE CORPORATION COMMISSION

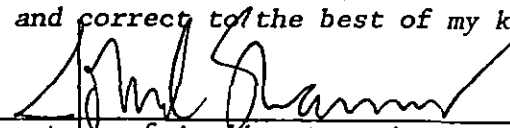
**DRILLING PITS ONLY:**

1. Type of mud to be utilized in drilling (i.e., salt, fresh) OCT 18 1991
2. Number of working pits to be utilized \_\_\_\_\_
3. Dimensions of Reserve Pit: Length \_\_\_\_\_ Width \_\_\_\_\_ Avg. Depth \_\_\_\_\_
4. How are these pits sealed to insure that all contents (drilling fluids, etc.) will remain in the pit after completion of drilling operations? (If plastic liner used, specify thickness in mil.) \_\_\_\_\_
5. Abandonment procedure: \_\_\_\_\_

Drill pits must be closed within 365 days of spud date. Extensions may be granted upon application to the Commission.

I hereby certify that the above statements are true and correct to the best of my knowledge and belief.

October 16, 1991  
Date

  
Signature of Applicant or Agent  
John C. Shawver, Executive Vice-President

API-15-015-20,437u

Regulations on Reverse  
Submit in Duplicate

Form GDP-1  
7/89

82-3-600. Application and approval of surface pond permits; pond construction. (a) Surface ponds shall be permitted only upon application to and approval by the commission. Application shall be made upon the form prescribed and furnished by the commission.

(b) In approving applications for surface pond permits, the protection of soil and water resources from pollution shall be considered by the commission.

(c) All surface ponds, except drilling pits and burn pits, shall be constructed and designed for normal operation with a minimum of 30 inches of freeboard. Freeboard of drilling pits and burn pits shall be no less than 12 inches.

(d) Each operator of a surface pond shall:

(1) install observation trenches, holes, or wells if required by the commission;

(2) seal any surface pond, except burn pits, with artificial materials if the commission determines that an unsealed condition will present a pollution threat to soil or water resources; and

(3) prevent surface drainage from entering the pond. (Authorized by K.S.A. 55-152, as amended by L. 1986, Ch. 201, Sec. 9; implementing K.S.A. 55-152, as amended by L. 1986, Ch. 201, Sec. 9; L. 1986, Ch. 201, new Sec. 1, 2; effective, T-87-46; effective May 1, 1987.)

82-3-601. Surface pond permit; application, content, and approval.

(a) Surface ponds shall not be used to contain salt water, oil, or refuse resulting from oil and gas activities until approved by the commission following the required application procedure. Surface pond permits shall be considered granted unless denied within 10 days after receipt of the application.

(b) Each application shall be verified and filed with the commission and shall show:

(1) The lease name and legal description, the pond location, and the number of producing wells on the lease;

(2) the name and names of the producing formation or formations of the wells on the lease

(3) the constructor of the surface pond;

(4) the applicant's license number; and

(5) any other information that the commission may require. (Authorized by K.S.A. 55-152, as amended by L. 1986, Ch. 201, Sec. 9; implementing K.S.A. 55-152, as amended by L. 1986, Ch. 201, Sec. 9; L. 1986, Ch. 201, new Sec. 1, 2; effective, T-87-46; effective May 1, 1987.)

82-3-602. Abandonment of surface ponds; drilling pit time limitation.

(a) Upon the permanent cessation of the flow of fluids or emplacement of solids into any surface pond, or upon the revocation of any surface pond permit, the operator shall:

(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 the remaining solid contents in any manner required by the commission. In lieu of burial in place, the requirements may include:

(A) Burial in place of treated contents in accordance with grading and restoration requirements described under subsection (c) of this regulation;

(B) removing and placing the contents in an on-site disposal area approved by the commission; or

(C) removing the contents to a permitted off-site disposal area approved by the department.

(c) Upon abandonment of any surface pond, the operator shall grade the surface of the soil as soon as practical or as required by the commission. To the greatest extent possible, the surface of the soil shall be returned to the same condition as existed prior to the construction of the surface pond.

(d) Drilling pits shall be abandoned and closed within a maximum of 365 calendar days after the spud date of a well. A drilling pit permit may be extended upon request by the operator and with the approval of the director. (Authorized by K.S.A. 1986 Supp. 55-152, 74-623; implementing K.S.A. 1986 Supp. 55-171, effective, T-87-46; December 19, 1986; effective May 1, 1987; amended May 1, 1988.)

82-3-603. Spill notification and clean-up; lease maintenance.

(a) Every operator shall notify the appropriate district office within 24 hours of discovery of a spill which is not confined in an authorized surface pond. The notification shall include the following information:

(1) The operator's name and license number;

(2) the lease name and legal description, the approximate spill location, and the surface pond permit number;

(3) the time and the date the spill occurred;

(4) a description of the escaped materials including type and amount;

(5) a description of the circumstances creating the spill;

(6) the location of the spill with respect to the nearest fresh and usable water resource;

(7) the proposed method for containing and cleaning up the spill; and

(8) any other information that the commission may require.

(b) The district office may modify the operator's clean-up proposal and may witness the clean-up operations. A time frame within which clean-up is to occur shall be established by the district office.

(c) Each operator of an emergency pit shall empty fluids from the pit within 48 hours after the discharge is discovered or as authorized by the appropriate district office. (Authorized by K.S.A. 1986 Supp. 55-152; implementing K.S.A. 55-172, 74-623; effective, T-87-46; December 19, 1986; effective May 1, 1987; amended May 1, 1988.)