

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL PLUGGING APPLICATION
Please TYPE Form and File ONE Copy

Form CP-1
March 2009
This Form must be Typed
Form must be Signed
All blanks must be Filled

OPERATOR: License #: 33725
Name: Foundation Energy Management, LLC
Address 1: 14800 Landmark Blvd. Ste. 220
Address 2: _____
City: Dallas State: TX Zip: 75254 + 1 4 3 4
Contact Person: David Koss
Phone: (918) 585-1650

API No. 15 - 159-21154-0001
If pre 1967, supply original completion date: _____
Spot Description: _____
SE SE Sec. 19 Twp. 20 S. R. 9 East West
707 Feet from North / South Line of Section
996 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Rice
Lease Name: Edward Malone Well #: 1

Check One: Oil Well Gas Well OG D&A Cathodic Water Supply Well Other: _____
 SWD Permit #: _____ ENHR Permit #: _____ Gas Storage Permit #: _____
Conductor Casing Size: unknown Set at: _____ Cemented with: _____ Sacks
Surface Casing Size: 8-5/8" Set at: 211' Cemented with: 150sx 60/40poz 2%gel 3%c.c Sacks
Production Casing Size: 4-1/2" Set at: 3359' Cemented with: 100sx 50/50poz 2%gel Sacks

List (ALL) Perforations and Bridge Plug Sets:

Simpson - top perf around 3305', bridge plug set at 3255'
Tarkio - top perf around 2215', bridge plug set at 2165'

Elevation: 1770' (G.L. / K.B.) T.D.: 3360 PBTD: 3316' Anhydrite Depth: _____
(Stone Corral Formation)

Condition of Well: Good Poor Junk in Hole Casing Leak at: above 2165'
(Interval)

Proposed Method of Plugging (attach a separate page if additional space is needed):

Plug per KCC District 2 instructions

Is Well Log attached to this application? Yes No Is ACO-1 filed? Yes No

If ACO-1 not filed, explain why:

RECEIVED
OCT 01 2009
KCC WICHITA

Plugging of this Well will be done in accordance with K.S.A. 55-101 et. seq. and the Rules and Regulations of the State Corporation Commission

Company Representative authorized to supervise plugging operations: Cliff Cox
Address: 601 S. Boulder Ave. Ste. 600 City: Tulsa State: OK Zip: 74119 + _____
Phone: (405) 659-7804
Plugging Contractor License #: 31529 Name: Mike's Testing and Salvage (Mike Kelso)
Address 1: P.O. Box 467 Address 2: _____
City: Chase State: KS Zip: 67524 + 0467
Phone: (620) 562-8088
Proposed Date of Plugging (if known): 10/15/09

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Date: 9/28/2009 Authorized Operator / Agent: David Koss
(Signature) Operator's Engineer

Edward Malone 1

Field Chase-Silica
 Producing horizon Simpson, Tarkio
 State KS
 County Rice
 Prospect Kansas gas
 API 15-159-21154

Surveyed location 707' FSL 996' FEL
 S19 T20 R6W W2 SE SE
 Coordinates Lat. 38.2916 Long. -98.35265
 Location on lease
 Relative location 3 miles NE of Raymond, KS
 Depth driller 3,360' PBSD 3,316'
 Date drilled: 4/81 LeaseID 210000

KB 1,770'
 GL 1,765'

Casing	JTS	DD	Bit	Grade	#/ft	THD	Top	Bottom	Details
8-5/8"	5				20.0		surf	211'	
4-1/2"	84							3,359'	

8-5/8" @ 211'

Cement	sx	ft^3	Class	psi/ft	Details
8-5/8"	180	212	H		150sx 60/40poz 2%gel 3%c.c.
5-1/2"	800	914	H		100sx 50/50poz 2%gel, 15 bbl salt flush

Tubing as of 0/0 JTS Grade #/ft THD Tally Top Bottom

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Rods as of 0/0 JTS Dia. Grade Coup. Length Top Bottom

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Formations Top perf interval th Date Details

Anhydrite				
Tarkio	2,215'			
Topeka				
Heebner	2,831'			
Brown Lime	2,962'			
Kansas City Lansing	2,993'			
Simpson	3,305'			
Arbuckle	3,336'			

BP @ 3255'

Tarkio
 3305'

BP @ 3255'

Simpson
 3305'

PBSD @
 5-1/2" @ 3359'

TVD

3,360'

Edited by DAK as of 9/28/09

Foundation Energy Management, LLC
 601 S. Boulder Ave., Suite 600
 Tulsa, OK 74119
 Phone: 918-585-1650
 Fax: 918-585-1660



CORPORATION COMMISSION

Mark Parkinson, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

• FOUNDATION ENERGY MANAGEMENT, LLC
14800 LANDMARK BLVD
STE 220
DALLAS, TX 75254-1434

October 05, 2009

Re: MALONE EDWARD #1
API 15-159-21154-00-02
19-20S-9W, 707 FSL 996 FEL
RICE COUNTY, KANSAS

Dear Operator:

The purpose of this letter is twofold. First, this letter is to notify you that the Conservation Division has received your plugging proposal, form CP-1, for the above well and has reviewed the proposal for completeness. The central office will now forward your CP-1 to the district office listed below for review of the proposed plugging method. **Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113(b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit in accordance with K.A.R. 82-3-600.**

This letter is also to notify you that during the central office's review of your CP-1 for license number verification, staff has discovered that you are not the current operator of record of the above well on file with the Conservation Division. **Central office staff is therefore requesting that you verify that you are the operator of record of the above well. The proper procedure for verifying operator authority is by filing a Conservation Division form T-1 (Request for Change of Operator; Transfer of Injection or Surface Pit Permit).** If a T-1 has already been filed with the Conservation Division reflecting the transfer of operator authority, please disregard this paragraph. If a T-1 has not been filed reflecting the transfer, please see the attached letter, which explains the T-1 filing process.

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well. Furthermore, this notice in no way constitutes authorization to plug the above well by persons not having legal rights of ownership or interest in the well.

This notice is void after April 3, 2010. The CP-1 filing does not bring the above well into compliance with K.A.R. 82-3-111 with regard to the Commission's temporary abandonment requirements.

Sincerely,

Steve Bond

Production Department Supervisor

District: #2
3450 N. Rock Road, Suite 601
Wichita, KS 67226
(316) 630-4000