



Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

April 17, 2009

FOUNDATION ENERGY MANAGEMENT LLC
1480 LANDMARK BLVD
STE 220
DALLAS TX 75254

RE: LEASE: WEST LYONS UNIT 7-4
LEGAL: 1270'FNL-1485'FEL 20-19S-08W
COUNTY: RICE
API NO: 15159225640000

Dear Sir/Madam:

This letter is to inform you that you have been granted an extension of time in which to close the drilling pits associated with the drilling of the West Lyons Unit 7-4 well.

The original 365 days for closure expired April 16, 2009. This extension will expire July 16, 2009. We urge you to make every effort to close these pits within this time frame. In the event there is water standing in these pits, please dewater and dispose of fluids in an authorized disposal facility to expedite closure. Extension of this time frame automatically extends the time period for filing the Closure of Surface Pit form.

Failure to close the pit or request an additional extension prior to the expiration date may result in a fine in accordance with K.A.R. 82-3-602(a). An additional extension will only be granted for good cause and after K.C.C. field staff has made an inspection of the site. Should field staff discover that said pit has been closed before the date of extension request, an administrative penalty may be assessed to you through K.C.C. invoice.

If you have any questions in this regard, please do not hesitate to contact Jonelle Rains at (316) 337-6226.

Very sincerely yours,

A handwritten signature in black ink that reads "Doug Louis". The signature is written in a cursive, flowing style.

Doug Louis
Director

cc: Jonelle Rains
District #2



*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

Foundation Energy Management, LLC
14800 LANDMARK BLVD
STE 220
DALLAS TX 75254

RECEIVED APR 03 2009

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March 31, 2009

Re: Closure of Drilling Pits
WEST LYONS UNIT Lease Well No. 7-4
E2W2NE 20-19S-8W
RICE County, Kansas
API No. 15159225640000

Dear Sirs:

The above referenced well was spudded on 4/16/2008. According to K.A.R. 82-3-602, "Drilling pits ... shall be closed within a maximum of 365 calendar days after the spud date of a well". The subject drilling pits must be closed by 4/16/2009. A Closure of Surface Pit, form CDP-4 (April 2004), should be filed within 30 days after the drilling pits are closed. **Conservation division forms are available through our office and on the KCC web site: <http://kcc.ks.gov/conservation/forms/>**

Should an extension be warranted, it must be received by 4/16/2009. **TO FILE FOR AN EXTENSION, PLEASE SEND A COPY OF THIS LETTER WITH THE FOLLOWING INFORMATION COMPLETED:**

Date of location inspection by operator/agent: 4/7/09

Reason for extension: As of above date, we could not finish filling in pits because of rain and ice, so might not be able to meet 4/16 deadline. We will fill in as soon as it dries up.

Estimated period of time until pit closure: 4/22/09

Failure to timely close the pit, file a request for an extension or file the closure form within the allotted time periods may result in assessment of an administrative penalty.

Your cooperation in this process is appreciated. If you have any questions or concerns, please call Sammy Fiaharty at (316) 337-6227.

KANSAS CORPORATION COMMISSION

APR 13 2009

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CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>