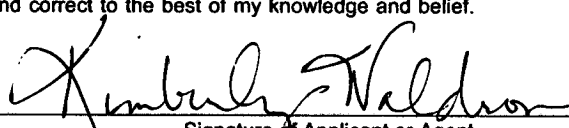


**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Foundation Energy Management		License Number: 33725 ✓
Operator Address: 14800 Landmark Boulevard Suite 220 Dallas TX 75254		
Contact Person: David Koss		Phone Number: (918)585-1650
Lease Name & Well No.: Anna Habiger 1		Pit Location (QQQQ): _____ SW _____ SW _____ SW Sec. 12 Twp. 18 R. 10 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 330 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 4,620 4713 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section RICE _____ 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 checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 50 _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): _____ 10 _____ Length (feet) _____ 4 _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ 7 _____ (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. Thick plastic- lay in hole, throw dirt on edges at the surface.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Pit will be closed shortly after workover.
Distance to nearest water well within one-mile of pit _____ 1208 _____ feet Depth of water well _____ 80 _____ feet		Depth to shallowest fresh water _____ 40 _____ 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: fresh water, cement Number of working pits to be utilized: _____ 1 _____ Abandonment procedure: dispose of fluid, pick up plastic liner, close pit _____ Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
_____ 1/19/10 Date	 Signature of Applicant or Agent	RECEIVED JAN 22 2010 KCC WICHITA

KCC OFFICE USE ONLY

Steel Pit RFAC RFAS

Date Received: 1-22-10 Permit Number: 15-159-19210-0000 VLB Permit Date: 1-20-10 Lease Inspection: Yes No

WORKOVER PIT APPLICATION
VERBAL AUTHORIZATION

DATE: 1-20-10 TIME: 9:08
OPERATOR: Foundation Energy CONTACT PERSON: Kim Waldron
LEASE NAME: Anna Habiger
SW SW SW SEC. 12 TWP. 18 RANGE 10 E W COUNTY: Rice

CONSTRUCTION:
SIZE: WIDTH 4' LENGTH 10' DEPTH 7'
ESTIMATED CAPACITY 50 BBLs

EST. DEPTH TO GROUNDWATER (if known): _____
TYPE OF FLUID: Saltwater Workover Fluids
 Cement Drilling Mud/Cuttings

DOES OPERATOR PLAN TO LINE PIT: YES NO
ESTIMATED TIME BEFORE PIT WILL BE CLOSED: 3 Days
ANY KNOWN WATER WELLS WITHIN 1/4 MILE OF PIT: YES NO

K.C.C. INFORMATION: IS PIT IN SGA? YES NO

- K.C.C. DISTRICT #2 RECOMMENDATION (Check One):
- 1. Authorization granted with no liner.
 - 2. Authorization granted, if pit is lined.
 - 3. Authorization granted, no liner necessary, but free fluids must be removed within _____ hours of completion of workover/plugging operations.
 - 4. No verbal authorization will be given without on-site inspection.

*Remind operator that pit permit form must be filed within five (5) days after verbal authorization.

RESULTS OF INSPECTION:

Agent Date _____