


KANSAS
CORPORATION COMMISSION

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

November 6, 2009

DAVID KOSS
FOUNDATION ENERGY MANAGEMENT LLC
601 SO BOULDER AVE STE 600
TULSA OK 74119

RE: LEASE: WEST LYONS UNIT 7-4
LEGAL: 1270'FNL-1486'FEL 20-19S-08W
COUNTY: RICE
API NO: 15159225640000

Dear Mr. Koss:

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 January 15, 2010. 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,



Doug Louis
Director

cc: Jonelle Rains
District # 2

Sammy Flaharty

From: Sammy Flaharty
Sent: Wednesday, November 04, 2009 10:54 AM
To: Virgil Clothier
Subject: pit extension request

Virgil, how are you doing? I'm sure this beautiful weather makes it great to be out in the field in the sunshine and fresh air. Wish I could be out there. I really enjoy nice Fall weather. Anyway, I've got a request for an additional pit extension and they say you have been out there recently. They state they have cut windows and removed tall weeds and have been crowding the pits but it is still too wet. The well is owned by Foundation Energy Management LLC and is as follows:

West Lyons Unit 7-4
1270'FNL-1485'FEL 20-19S-08W
Rice County
15159225640000
Spud 4/16/08 pit extension expired 10/16/09

That's all I've got for you so far today Virgil. I'm sure that's enough. Let me know what to do on this one. Thanks for your help.
Sammy

Virgil called 11/4/09
give till 1/15/10



Foundation Energy Management, LLC
601 South Boulder Avenue, Suite 600
Tulsa, Oklahoma 74119

November 3, 2009

Kansas Corporation Commission
Conservation Division
Finney State Office Building
130 S. Market, Room 2078
Wichita, KS 67202-3802

Dear Mr. Louis,

We, Foundation Energy, request a 90 day extension in closing the WLU 7-4 drilling pit.

With regards to your previous instructions concerning the pit, we have cut windows and cleared the tall weeds. We have been crowding the pit as it dries. It is my understanding that Mr. Virgil Clothier has recently inspected the pit and may have reported its current condition.

You may call our operations superintendent Cliff Cox at 405-659-7804 with any questions; or you may call me.

Regards,

David Koss
Operations Engineer
918-304-4661

Tulsa Office

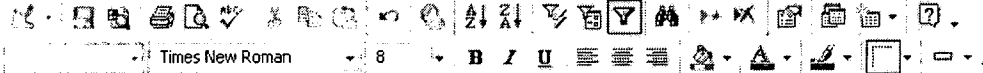
601 S. Boulder Ave., Suite 600
Tulsa, Oklahoma 74119
P 918 585 1650 F 918 585 1660

Corporate Office

14800 Landmark Blvd Suite 220
Dallas, Texas 75254
P 972 934 8385 F 972-934 8610

Denver Office

1900 Grant Street, Suite 1120
Denver, Colorado 80203
P 303 861 0504 F: 303 861 0604



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Sec Twpn Rgn

Company [Fed] API Number [15-159-22564]

API # [15-159-22564-00-00] Well [WEST LYONS UNIT 7-4] City [RICE] Dkt

Oper [33725] FOUNDATION ENERGY MANAGEMENT, I | A Legy Oper

Work Oper C-1 Oper [FOUNDATION ENERGY MANAGEME]

WL Type [OIL] WL Stat [PR] Status Source: [ACO1] Status Dt: [05/23/2008]

Location [20-195-8W E2W2NE, 1270 ENL 1485 FEL] District # [02]

Dates

Intent Apprv:	02/26/2008	Compl:	05/23/2008
Permit Expire:	02/26/2009	Compl Rpt Rec:	08/18/2008
ACO-1 Spud:	04/16/2008	Plugged:	
District Spud:	04/16/2008		

Drilling

SC Int: [280] Spud Ltr: CP 1: []

PIT CLs EXT: [10/16/2009] SCWA: CP 2.3: Date CP-2.3 Rec'd: []

Pit CLs: [] RFAC: CP 4: Date CP-4 Rec'd: []

PIT Status: [Request Received for Extens...] REAS: CDP 5: []

Deewater: [] BBLs: [] PitLiner: Steel: