

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., Suite 220
Address 2: _____
City: Dallas State: TX Zip: 75254 + _____
Contact Person: Joseph Collins
Phone: (918) 585-1650

API No. 15 - 159-21016-0000
If pre 1967, supply original completion date: _____
Spot Description: _____
NW SW SW NW Sec. 19 Twp. 20 S. R. 9 East West
2.970 Feet from North / South Line of Section
4.950 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Rice
Lease Name: F Malone Well #: 2

Check One: Oil Well Gas Well OG D&A Cathodic Water Supply Well Other: _____
 SWD Permit #: _____ ENHR Permit #: _____ Gas Storage Permit #: _____
Conductor Casing Size: _____ Set at: _____ Cemented with: _____ Sacks
Surface Casing Size: 8 5/8" Set at: 210' Cemented with: 175 Sacks
Production Casing Size: 4 1/2" Set at: 3381' Cemented with: 75 Sacks

List (ALL) Perforations and Bridge Plug Sets:
3331 - 3342, 44 shots ; 3/8" DP; 4 shots per foot

Elevation: 1760 (G.L. / K.B.) T.D.: 3382 PBDT: 3365 Anhydrite Depth: 427
(Stone Corral Formation)
Condition of Well: Good Poor Junk in Hole Casing Leak at: _____
(Interval)
Proposed Method of Plugging (attach a separate page if additional space is needed):

Per KCC recommendation

Is Well Log attached to this application? Yes No Is ACO-1 filed? Yes No
If ACO-1 not filed, explain why:

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KANSAS CORPORATION COMMISSION
MAY 28 2010
CONSERVATION DIVISION
WICHITA, KS

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: Kent Strube
Address: PO Box 533 City: Clafin State: KS Zip: 67525 + _____
Phone: (620) 786-4161
Plugging Contractor License #: 32098 Name: Classic Well Service
Address 1: P.O. Box 539 Address 2: _____
City: Clafin State: KS Zip: 67525 + _____
Phone: (620) 562-8088
Proposed Date of Plugging (if known): _____

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

Date: 5/25/10 Authorized Operator / Agent: _____
(Signature)

Mail to: KCC - Conservation Division, 130 S. Market, Room 2078, Wichita, Kansas 67202



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

Finney State Office Building
130 S. Market, Room 2078
Wichita, KS 67202-3802

May 26, 2010

To Whom It May Concern:

This is in response to the letter we received dated May 13, 2010 regarding a violation on one of our wells. The F Malone 2 well, API 15-159-21016 was indicated as violating K.A.R 82-3-111. Our intention regarding this well is to plug and abandon it. I am including with this letter a form CP-1 to apply for a plugging permit. As soon as we get approval and can get a crew to the well, we will plug it.

If you have any questions please feel free to contact me.

Regards,

Joseph Collins

Operations Superintendent

918-585-1650

jcollins@foundationenergy.com

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MAY 28 2010

CONSERVATION DIVISION
WICHITA, KS

601 South Boulder, Suite 600
Tulsa, OK 74119
Tel: 918.585.1650 Fax: 918.585.1660



CORPORATION COMMISSION

Mark Parkinson, Governor Thomas E. Wright, Chairman, Joseph F. Harkins, Commissioner, Ward Loyd, Commissioner

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

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

May 28, 2010

Re: F MALONE #2
API 15-159-21016-00-00
19-20S-9W, 2970 FSL 4950 FEL
RICE COUNTY, KANSAS

Dear Operator:

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.**

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. 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 November 24, 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