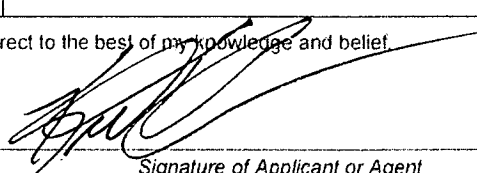


**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

Form CDP-1  
May 2010  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>Foundation Energy Management, LLC</b>		License Number: <b>33725</b>
Operator Address: <b>14800 Landmark Blvd. Ste. 220</b>		
Contact Person: <b>Kenny Gaines</b>		Phone Number: <b>918-585-1650</b>
Lease Name & Well No.: <b>Jenkins 1-23</b>		Pit Location (QQQQ): <b>S/2 NW SE</b> Sec. <b>23</b> Twp. <b>19</b> R. <b>10</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1,650</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>1,980</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Rice</b> 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> <b>15-159-20808</b>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>100</b> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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): <u>10</u> Length (feet) <u>10</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>6</u> (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit: <u>2600</u> feet    Depth of water well <u>75</u> feet	Depth to shallowest fresh water <u>50</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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	<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>water; cement</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>drain pit; cut off liner; back fill pit</u> 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		<b>RECEIVED</b> <b>SEP 15 2010</b> <b>KCC WICHITA</b>
<u>9/10/2010</u> Date	 Signature of Applicant or Agent	

<b>KCC OFFICE USE ONLY</b>	
Date Received: <u>9-15-10</u> Permit Number: <u>15-159-22407001</u> Permit Date: <u>9-15-10</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS