

**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, LLC		License Number: 33725
Operator Address: 14800 Landmark Blvd., Suite 220 Dallas, TX 75254		
Contact Person: Joseph Collins		Phone Number: 918-585-1650
Lease Name & Well No.: Feldman 4		Pit Location (QQQQ): C NE SE NW Sec. <u>15</u> Twp. <u>19</u> R. <u>10</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>3,596</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>2,979</u> 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) 15-159-02365</small>	Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: <u>5/21/2010</u> Pit capacity: <u>80</u> (bbbls)	
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>30</u> Length (feet) <u>10</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>8</u> (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. 3 mil plastic liner used to line the pit.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. RECEIVED MAY 27 2010 KCC WICHITA
Distance to nearest water well within one-mile of pit <u>1849</u> feet Depth of water well <u>85</u> feet		Depth to shallowest fresh water <u>80</u> ^{<u>46</u>} 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: <u>water, cement</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>allow fluid to settle, then cut off plastic liner and haul to landfill, then fill in 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. <u>5/25/10</u> <u>Joseph Collins</u> Date Signature of Applicant or Agent		
KCC OFFICE USE ONLY		
Date Received: <u>5-27-10</u> Permit Number: <u>15-159-02365-00-00</u> Permit Date: <u>5-28-10</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>

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

May 28, 2010

Foundation Energy Management LLC
14800 Landmark Blvd Ste 220
Dallas, TX 75254

Re: Workover Pit Application
Feldman Lease Well No. 4
NW/4 Sec. 15-19S-10W
Rice County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that the workover pit shall be constructed without slots, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the workover pit within 72 hours of completion of workover operations.

NO completion fluids or non-exempt wastes shall be placed in the workover pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: kcc.ks.gov/conservation/forms/

If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.