

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: <b>Foundation Energy Management, LLC</b>		License Number: <b>33725</b>
Operator Address: <b>14800 Landmark Blvd., Suite 220 Dallas, TX 75254</b>		
Contact Person: <b>Joseph Collins</b>		Phone Number: <b>918-585-1650</b>
Lease Name & Well No.: <b>Charlene 1-18</b>		Pit Location (QQQQ): <u>      C      </u> <u>  N1/2  </u> <u>  SW1/4  </u> Sec. <u>  18  </u> Twp. <u>  20  </u> R. <u>  9  </u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>  1,980  </u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>  1,320  </u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>      Rice      </u> 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> <u>  1515922395  </u>	Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: <u>  4/18/2010  </u> Pit capacity: <u>  80  </u> (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): <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. <b>3 mil plastic liner used to line the pit.</b>		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' 822  </u> feet    Depth of water well <u>  90 115  </u> feet		Depth to shallowest fresh water <u>  180 32  </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>  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>  4-22-10  </u> Date		<u>  Joseph M. Coll  </u> Signature of Applicant or Agent
RECEIVED KANSAS CORPORATION COMMISSION APR 26 2010 4-20-10 CONSERVATION DIVISION WICHITA, KS		
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>  4-26-10  </u> Permit Number: <u>  15-159-22395-00-00  </u> Permit Date: <u>  5-4-10  </u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>