

**RECEIVED**  
KANSAS CORPORATION COMMISSION KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**REQUEST FOR CHANGE OF OPERATOR**  
**TRANSFER OF INJECTION OR SURFACE PIT PERMIT**

Form T-1  
April 2004

**FEB 27 2008**  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

**LOCAL SECTION**

Check Applicable Boxes:

- ☒ Oil Lease: No. of Oil Wells 1 \*\*  
☐ Gas Lease: No. of Gas Wells \_\_\_\_\_ \*\*  
☐ Gas Gathering System: \_\_\_\_\_  
☒ Saltwater Disposal Well - Permit No.: D-18385  
Spot Location: 333 feet from ☐ N / ☒ S Line  
3971 feet from ☒ E / ☐ W Line  
☐ Enhanced Recovery Project Permit No.: \_\_\_\_\_  
Entire Project: ☐ Yes ☐ No  
Number of Injection Wells 1 \*\*

Field Name: Chase-Silica

**\*\* Side Two Must Be Completed.**

Effective Date of Transfer: 05/2006 05/01/06

KS Dept of Revenue Lease No.: 105747 VUB

Lease Name: Arensman-Wilkens

S/2 S/2 SW Sec. 10 Twp. 19 R. 10 ☐ E ☒ W

Legal Description of Lease: \_\_\_\_\_

T19S R10W, Sec 10, SW/4

County: Rice

Production Zone(s): Arbuckle

Injection Zone(s): 3387 to 3520 Arb.

Surface Pit Permit No.: \_\_\_\_\_

(API No. if Drill Pit, WO or Haul)

\_\_\_\_\_ feet from ☐ N / ☐ S Line of Section

\_\_\_\_\_ feet from ☐ E / ☐ W Line of Section

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☐ Drilling OR

Past Operator's License No. 31504 ✓

Contact Person: Kurt Strube

Past Operator's Name & Address: K.J.S.Oil

Phone: 620-587-3436

608 West Park Street, Claflin, KS 67525

Date: 11/14/06

Title: President

Signature: [Signature]

New Operator's License No. 33725 ✓

Contact Person: Eddie Rhea

New Operator's Name & Address: Foundation Energy Management, LLC

Phone: 972-934-8385

5220 Spring Valley Road, Suite 200

Oil / Gas Purchaser: Wallace Energy, Inc

Dallas, TX 75254

Date: 11/14/06

Title: President

Signature: [Signature]

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KANSAS CORPORATION COMMISSION  
**APR 11 2007**  
CONSERVATION DIVISION  
WICHITA, KS

**Acknowledgment of Transfer:** The above request for transfer of injection authorization, surface pit permit # \_\_\_\_\_ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

Foundation Energy Management LLC is acknowledged as the  
new operator and may continue to inject fluids as authorized by  
Permit No. D-18,385. Recommended action: U3C's  
due 2003-06  
Date: 2-29-08 Barbara [Signature]  
Authorized Signature

\_\_\_\_\_ is acknowledged as the  
new operator of the above named lease containing the surface pit  
permitted by No.: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized Signature

DISTRICT \_\_\_\_\_ EPR 2-29-08 PRODUCTION FEB 29 2008 UIC 2-29-08  
Mail to: Past Operator 2-29-08 New Operator 2-29-08 District 2-29-08 2

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

050106 ATTACHED TO 1011-1015 1017 1018

\* Location: SW/4 of sec. 10-19-10 W

APR 11 2007

\* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.