



For KCC Use:
Effective Date:
District #
SGA? Yes No

KANSAS CORPORATION COMMISSION 1020496
OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007

Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: month day year

OPERATOR: License#
Name:
Address 1:
Address 2:
City: State: Zip: +
Contact Person:
Phone:

CONTRACTOR: License#
Name:

Well Drilled For: Well Class: Type Equipment:
Oil Enh Rec Infield Mud Rotary
Gas Storage Pool Ext. Air Rotary
Disposal Wildcat Cable
Seismic; # of Holes Other
Other:
If OWWO: old well information as follows:

Operator:
Well Name:
Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

Spot Description:
Sec. Twp. S. R. E W
feet from N / S Line of Section
feet from E / W Line of Section

Is SECTION: Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)

County:
Lease Name: Well #:

Field Name:
Is this a Prorated / Spaced Field? Yes No

Target Formation(s):
Nearest Lease or unit boundary line (in footage):

Ground Surface Elevation: feet MSL
Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No
Depth to bottom of fresh water:

Depth to bottom of usable water:
Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set:
Length of Conductor Pipe (if any):

Projected Total Depth:
Formation at Total Depth:

Water Source for Drilling Operations:
Well Farm Pond Other:

DWR Permit #:
(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
If Yes, proposed zone:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.
It is agreed that the following minimum requirements will be met:

- 1. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 DAYS of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

Submitted Electronically

For KCC Use ONLY
API # 15 -
Conductor pipe required feet
Minimum surface pipe required feet per ALT. I II
Approved by:
This authorization expires:
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: Agent:

Remember to:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired Date:
Signature of Operator or Agent:



1020496

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - _____

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

Is Section: Regular or Irregular

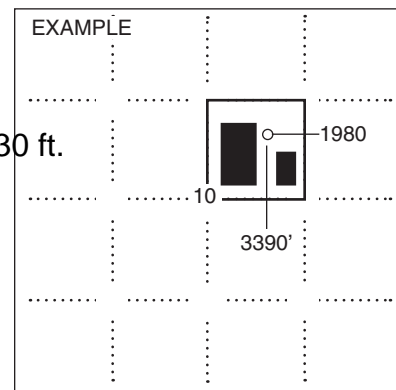
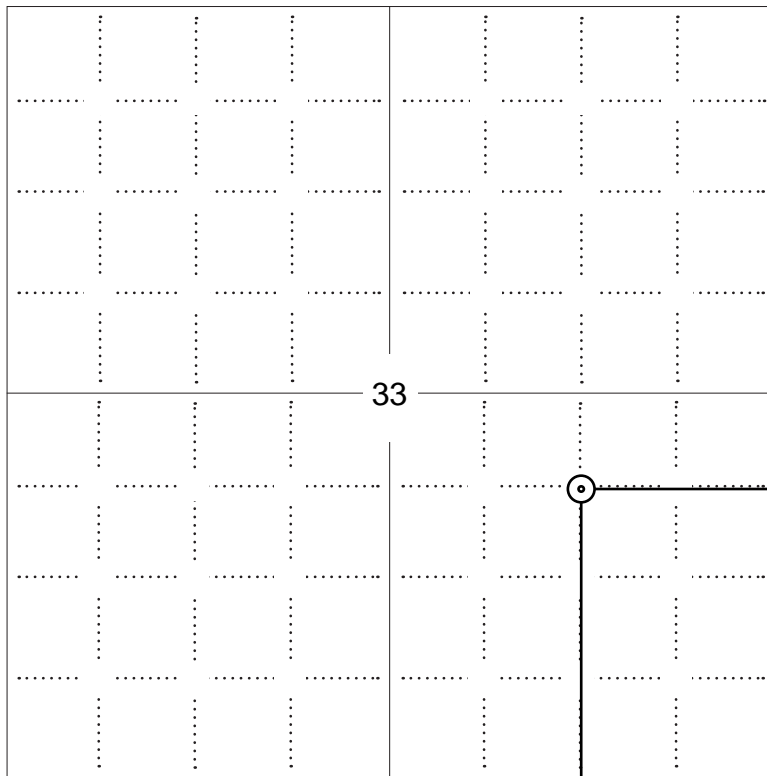
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



NOTE: In all cases locate the spot of the proposed drilling locaton.

1980 ft.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).



KANSAS CORPORATION COMMISSION 1020496
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____ - _____ - _____ - _____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input 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): _____ Length (feet) _____ Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) _____ 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 _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ well owner _____ electric log _____ 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: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY		Steel Pit	RFAC	RFAS
Date Received: _____	Permit Number: _____	Permit Date: _____	Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION**

Notice: Fill out COMPLETELY
and return to Conservation Division
at the address below within
60 days from plugging date.

**Well Plugging Record
K.A.R. 82-3-117**

Form CP-4
December 2003
Type or Print on this Form
Form must be Signed
All blanks must be Filled

Lease Operator: <u>American Energies Corporation</u>	API # <u>15-095-221690000</u>
Address: <u>155 North Market, Suite 710, Wichita, KS 67202</u>	Lease Name: <u>Gonzales</u>
Phone: <u>(316) 263 - 5785</u> Operator License #: <u>5399</u>	Well Number: <u>1-33</u>
Type of Well: <u>D & A</u> Docket #: _____	Spot Loc. (QQQQ): <u>NE SE</u>
(Oil, Gas, D & A, SWD, ENHR, Water supply Well, Cathodic, Other)	1980 FSL Feet from North/South Section Line
The plugging proposal was approved on: <u>9/27/2008</u> (Date)	660 FEL Feet from North/South Section Line
by: <u>Virgil Clothier</u> (KCC District Agent's Name)	Sec. <u>Section 33-T27S-R7W</u> East/West
Is ACO-1 filed? <u>Previously filed</u> <input checked="" type="checkbox"/> <u>No</u> ACO-1 Attached, as well as logs and DST results	County: <u>Kingman</u>
If not, is well log attached? <input checked="" type="checkbox"/> <u>On File</u> Yes <input type="checkbox"/> <u>No</u>	Date Well Completed: <u>9/27/2008</u>
Producing Formation(s): List All (if needed attach another sheet)	Plugging Commenced: <u>9/27/2008</u>
Depth to Top: _____ Bottom: <u>T.D.</u>	Plugging Completed: <u>9/27/2008</u>
Depth to Top: _____ Bottom: <u>T.D.</u>	
Depth to Top: _____ Bottom: <u>T.D.</u>	

Show depth and thickness of all water, oil and gas formation:

OIL, GAS OR WATER RECORDS		CASING RECORD (Surface Conductor & Production)				
FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULL OUT
Surface	Water sands	239'	0'	8 5/8" 23#	239'	None
Production		None				

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from (bottom), to (top) for each plug set.

35 sx @ 1200', 35 sx @ 700', 35 sx @ 285', 25 sx @ 60', 15 sx in RH
60/40 poz, 4% gel. Plugging completed @ 6:00 p.m. on 9/27/09. Allied Ticket #30502.
Plugging permission by Virgil Clothier.

Name of Plugging Contractor: Allied Cementing License #: _____

Address P.O. Box 31 City: Russell State: Kansas Zip 67665

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: American Energies Corporation (Operator)

STATE OF KANSAS COUNTY OF: Sedgwick, ss.

Melinda S. Wooten, Production manager (Employee of Operator or (Operator) of above described well, being first
duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described
well is as filed, and the same are true and correct, so help me God.

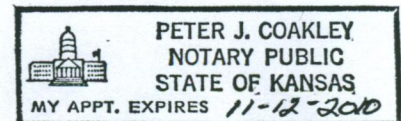
(Signature) Melinda S. Wooten
Melinda S. Wooten, Production Manager

(Address) 155 North Market, Suite 710, Wichita, KS

SUBSCRIBED AND SWORN TO me this 2nd day of February 2010

Peter J. Coakley
Peter J. Coakley My Commission Expires: _____

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



ALLIED CEMENTING CO., LLC.

32502

Federal Tax I.D.# 20-5975804

SHIP TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:
Medicine Lodge

DATE 9-27-08	SEC. 33	TWP. T5	RANGE 7 W	CALLED OUT 0100 pm	ON LOCATION 0400 pm	JOB START 0430 pm	JOB FINISH 0600 pm
LEASE Gonzales	WELL # 1-33	LOCATION Kingman Ks, 1 E on S4, 1/2 S,		COUNTY Kingman	STATE KS		
OLD OR NEW (Circle one) <u>NEW</u>				WINTO			

CONTRACTOR Pickwell #
 TYPE OF JOB Rotary Plug
 HOLE SIZE 7 7/8 TD. 1200'
 CASING SIZE 8 5/8 DEPTH 239'
 TUBING SIZE DEPTH
 DRILL PIPE 4 1/2 16.6 # DEPTH 1200'
 TOOL DEPTH
 PRES. MAX 300 psi MINIMUM 100 psi
 MEAS. LINE SHOE JOINT
 CEMENT LEFT IN CSG.
 PERFS.
 DISPLACEMENT 15 bbls

OWNER American Energies
 CEMENT
 AMOUNT ORDERED 145 sk 60:40:4

EQUIPMENT
 PUMP TRUCK CEMENTER Greg Griewe
 # 480 HELPER Heath M
 BULK TRUCK
 # 368 DRIVER Newton D.
 BULK TRUCK
 # DRIVER

COMMON	<u>87 A</u>	@	<u>15.45</u>	<u>1344.15</u>
POZMIX	<u>58</u>	@	<u>8.00</u>	<u>464.00</u>
GEL	<u>5</u>	@	<u>20.80</u>	<u>104.00</u>
CHLORIDE		@		
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>150</u>	@	<u>2.40</u>	<u>360.00</u>
MILEAGE	<u>55 x 150</u>	@	<u>1.10</u>	<u>825.00</u>
TOTAL				<u>3092.15</u>

REMARKS:

1200'-35 sk
700'-35 sk
285'-35 sk
60'-285 sk
Retort - 15 sk

SERVICE

DEPTH OF JOB	<u>239'</u>			
PUMP TRUCK CHARGE				<u>1017.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>55</u>	@	<u>7.00</u>	<u>385.00</u>
MANIFOLD		@		
		@		
TOTAL				<u>1402.00</u>

Thank You

CHARGE TO: American Energies
 STREET _____
 CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

<u>NONE</u>	@		
	@		
	@		
	@		
	@		
TOTAL _____			

Post-it® Fax Note	7671	Date	<u>10.14.08</u>	# of pages	<u>2</u>
To	<u>Munday</u>	From	<u>Judy</u>		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #	<u>316-263-1851</u>	Fax #			

contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Mike Kern
 SIGNATURE Mike Kern

SALES TAX (If Any) _____
 TOTAL CHARGES _____
 DISCOUNT _____ IF PAID IN 30 DAYS

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 5399
 Name: American Energies Corporation
 Address: 155 North Market, Suite 710
 City/State/Zip: Wichita, KS 67202
 Purchaser: None
 Operator Contact Person: Alan L. DeGood
 Phone: (316) (316) 263-5785
 Contractor: Name: Pickrell Drilling
 License: 5123
 Wellsite Geologist: Doug Davis

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW Temp. Abd
 Gas ENHR SIGW
 X Dry Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:
 Operator: _____
 Well Name: _____
 Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. To Enhr/SWD
 Plug Back Plug Back Total Depth
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Enhr.?) Docket No. _____

<u>9/18/2008</u>	<u>9/27/08</u>	<u>9/27/08</u>
Spud Date or	Date Reached TD	Completion Date or
Recompletion Date		Recompletion Date

API NO. 15 - 095-22169-0000
 County: Kingman
 NE SE - - Sec. 33 S. R. 27-7w East West
1980' feet from S 1 N (circle one) Line of Section
660' feet from E 1 W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: Gonzales Well #: 1-33
 Field Name: Wildcat
 Producing Formation: Target Formation - Mississippian
 Elevation: Ground: 1513' Kelly Bushing: 1522'
 Total Depth: 4115' Plug Back Total Depth: 4115'
 Amount of Surface Pipe Set and Cemented at 8 5/8" set @ 239 Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set _____ Feet
 If Alternate II completion, cement circulated from _____
 feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
 Chloride content 80,000 ppm Fluid volume 1,000 bbls
 Dewatering method used Water was hauled to disposal well
 Location of fluid disposal if hauled offsite:
 Operator Name: American Energies Corporation
 Lease Name: Wooldridge #3 License No.: 5399
 Quarter SW Sec 16 Twp 27 S. R. 7W East West
 County: Kingman Docket No.: D24,931

INSTRUCTIONS: An original and two copies of this form shall be filed with Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Alan L. DeGood
 Title: Alan L. DeGood, President Date: 10/15/08
 Subscribed and sworn to before me this 15th day of 10/15/08,
2008
 Notary Public: Melinda S. Wooten
 Date Commission Expires: Melinda S. Wooten, Notary Exp. 3/12/12

KCC Office Use ONLY
 Letter of Confidentiality Attached
 If Denied, Yes Date:
 Wireline Log Received
 Geologists Report Received
 UIC Distribution

MELINDA S. WOOTEN
 Notary Public - State of Kansas
 My Appt. Expires _____

Operator Name: American Energies Corporation Lease Name: Gonzales Well: #1-33

Sec. 33 Twp. 27S S. 7W Vest County: Kingman

INSTRUCTIONS: Show important tops and bas of formations penetrated. Detail all cores. Report all final copies of drill stem tests giving interval test, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final charts(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken Yes No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Attach Additional Sheets) Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run Yes No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Submit Copy) List All E. Logs Run: Dual Compensated Porosity Dual Induction Log Computer Processed Interpretation	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> Sample Datum Name Top See attached Drilling Report
--	---

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	23#	239 KB	60/40 poz	225 sx	2% gel, 3% CC
Production							

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate				
<input type="checkbox"/> Protect Casing				
<input type="checkbox"/> Plug Back TD				
<input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth

TUBING RECORD			Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr.		Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)				
Estimated Production Per 24 Hours	Oil Bbls	Gas Mcf	Water Bbls	Gas-Oil Ratio	Gravity	

Disposition of Gas Vented Sold Used on Lease Open Hole Perff Dually Comp. Commingled _____

(If vented, Sumit ACO-18.) Other Specify _____

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-5
August 2004
Form must be Typed

EXPLORATION & PRODUCTION WASTE TRANSFER

Operator Name: <u>American Energies Corporation</u>		License Number: <u>5399</u>	
Operator Address: <u>155 North Market, Suite 710, Wichita, KS 67202</u>			
Contact Person: <u>Alan L. DeGood, President</u>		Phone Number: (<u>316</u>) <u>263 - 5785</u>	
Permit Number (API No. if applicable): <u>15-095-22169-0000</u>		Lease Name: <u>Gonzales</u>	
Source of Waste: <input type="checkbox"/> Dike <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Haul-off Pit <input type="checkbox"/> Steel Pit <input type="checkbox"/> Spill / Escape		Well Number: <u>1-33</u>	
		Source Location (QQQQ): <u>NE - SE - - -</u> Sec. <u>33</u> Twp. <u>27S</u> R. <u>7W</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1980'</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>660'</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <u>Kingman</u> County	
Type of waste to be disposed: <input checked="" type="checkbox"/> Fluid <input type="checkbox"/> Soil <input checked="" type="checkbox"/> Mud / Cuttings <input type="checkbox"/> Other: _____			
Amount of waste: <u>10</u> No. of loads <u>100</u> Barrels _____ Tons _____ YDS			
Destination of waste: <input type="checkbox"/> Reserve Pit <input checked="" type="checkbox"/> Disposal Well <input type="checkbox"/> Lease Road <input type="checkbox"/> Dike / Berm <input type="checkbox"/> Other: _____			
If waste is transferred to another reserve pit, is the lease active? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Location of waste disposal:		Date of Waste Transfer: <u>9/28/08</u>	
Operator Name: <u>American Energies Corporation</u>		License No.: <u>5399</u>	
Lease Name: <u>Wooldridge #3 SWD</u>		Sec. <u>16</u> Twp. <u>27S</u> R. <u>7W</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West	
Docket No.: <u>D-24,931</u>		County: <u>Kingman</u>	
The undersigned hereby certifies that he / she is <u>Alan L. DeGood, President</u> for <u>American Energies Corporation</u> (Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of his / her knowledge and belief. <u>Alan L. DeGood</u> Agent Signature			
Subscribed and sworn to before me on this <u>15th</u> day of <u>October</u> , <u>2008</u>			
MELINDA C. WOOTEN Notary Public - State of Kansas Commission Expires: _____ My Appt. Expires: _____		<u>Melinda C. Wooten</u> Notary Public	
<u>3-12-12</u>			



American Energies
Corporation

155 N. Market, Suite 710, Wichita, KS 67202
316-263-5785, 316-263-1851 fax

DRILLING REPORT
GONZALES #1-33

LEASE #: 10481319
LOCATION: NE SE Section 33-T27S-R7W
COUNTY: Kingman
API: 15-095-22,169-0000
CONTRACTOR: Pickrell Drilling
GEOLOGIST: Doug Davis

SURFACE CASING: 8 5/8" 20# @ 239' KB
PRODUCTION CASING:
PROJECTED RTD: 4000'
G.L.: 1513' **K.B.:** 1522'
SPUD DATE: 9/18/08
COMPLETION DATE: 9/27/08

NOTIFY: American Energies Corp
Dianne Y. DeGood Family Trust, Hyde Resources Inc.
R & T Investments, Debbie Schmitt, LLC
Graves Leases, LLC, Buffalo Creek Oil and Gas, LLC

REFERENCE WELLS:
#1: Solar – Graber #1 – NW SW 34-27S-7W
#2: AEC – Ewy #1-34 – NW SW NW 34-27-7W
#3: Kan-Ex – Graber #1 – S/2 NE 33-27S-7W

FORMATION:	SAMPLE LOG:					ELECTRIC LOG TOPS:						
	COMPARISON:					COMPARISON:						
		#1	#2	#3		#1	#2	#3		#1	#2	#3
Indian Cave	2015	-493	+3	-10	-10	2030	-508	-18	-25	-2		
Wabaunsee	2042	-520	-4	-9	-1	2046	-524	-8	-13	-5		
Heebner	2921	-1399	-12	-20	-20	2925	-1403	-20	-24	-19		
Lansing	3171	-1649	-4	-14	-8	3174	-1652	-7	-17	-11		
Dennis	3461	-1939	-1	-11	-5							
Swope	3520	-1998	-2	-11	-5	3526	-2004	-8	-18	-11		
Hertha	3560	-2038	-1	-13	-5	3564	-2042	-5	-17	-9		
Cherokee	3750	-2232	-4	-15	-13	3755	-2233	-4	-16	-14		
Miss. Chert	3859	-2337	+10	-22	-21	3862	-2340	+7	-25	-24		
Miss Lm	3943	-2421	+11	-3	-26	3946	-2424	+8	-6	-29		
Kinderhook Sh	4086	-2564	0	-27	-21	4089	-2567	-3	-27	-24		
RTD	4115'											
LTD	4119'											

9/18/08 MIRU & RURT

9/19/08 Spud 9/18/08 @ 1:45 AM. Drilling 12 1/4" surface hole to 244'. SHT @ 244' = 1/4 degree. Ran 5 jts of new 8 5/8" 20# surface casing set @ 239' KB (Tally was 227'. Cemented with 225 sx 60/40 poz, 2% gel, 3% CC. PD @ 1:30 p.m. Cement did circulate. Allied Ticket #32943. WOC. Approximately 8 hours.

9/20/08 Drilling ahead @ 755'. SHT @ 784' = 1/4 degree.

9/21/08 Drilling ahead @ 1500'. SHT @ 1259 = 1 1/2 degree.

9/22/08 Running bit trip @ 2171'. SHT @ 1796' = 1 degree.

9/23/08 Drilling ahead @ 2835'. SHT @ 2240 = 1/4 degree, SHT @ 2841' = 1 degree.

9/24/08 Circulating for samples @ 3489 – had 45 unit gas kick in the Dennis formation. No show in samples. Will return to drilling. SHT @ 3345' = 1 1/4 degree.

9/25/08 Drilling ahead @ 3850'.

Mississippian Chert – 95% weathered, 5% fresh, 823 unit gas kick, dark brown stain, poor florescence, no free oil. Drilled off 1 to 1/2 minute per foot for 1 foot. Preparing to run DST #1 – Mississippian Chert.

Results DST #1: 3850-70' Mississippian

Times: 30-60-30-60

1st Open: Strong blow off bottom in 8 sec.

2nd Open: Off the bottom immediately

GTS :19" TSTM, 78' GsyM(5%Gas, 95%M); 61'SlyWCGM, 61'GsyWM; 126°BHT; Ch 180,000

IH: 1954 FH:1873

IFP: 35-56 FFP: 39-78

ISIP: 1238 FSIP:1197

Both were building

9/26/08 Drilling ahead at 4132'.

9/27/08 Laying down drill pipe to P & A. RTD: 4115'. Ran E-logs. LTD: 4119'. Plugging information as follows: 35 sx @ 1200', 35 sx @ 700', 35 sx @ 285', 25 sx @ 60', 15 sx in RH of 60/40 poz, 4% gel. Plugging completed @ 6:00 p.m. on 9/27/08. Allied Ticket #30502. Plugging permission from Virgil Clothier on 9/18/08 @ 9:10 a.m. Final

ALLIED CEMENTING CO., LLC. 32943

Federal Tax I.D.# 20-5975804

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT: Great Bend
~~Atchafalaya~~
11:30 AM

DATE <u>9-19-08</u>	SEC. <u>33</u>	TWP. <u>27</u>	RANGE <u>7</u>	CALLED OUT <u>10:30 AM</u>	ON LOCATION <u>12:30</u>	JOB START <u>1:00 PM</u>	JOB FINISH <u>10:00 PM</u>
LEASE <u>Montezuma</u>	WELL# <u>1-33</u>	LOCATION <u>Kingman Ks I.E., 4.5, w/s</u>			COUNTY <u>Kingman</u>	STATE <u>Ks</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Pickrell #1

TYPE OF JOB Surface

HOLE SIZE 12 1/4" TD. 244'

CASING SIZE 8 3/8" DEPTH 243'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX 200# MINIMUM 0

MEAS. LINE _____ SHOE JOINT 15'

CEMENT LEFT IN CSG. 15'

PERFS. _____

DISPLACEMENT 14,52 BBLs of Water

OWNER American Energies

CEMENT

AMOUNT ORDERED 225 SX 66140 3% LL
2% Gel

COMMON	<u>135 SX</u>	@	<u>15.45</u>	<u>2,085.75</u>
POZMIX	<u>90 SX</u>	@	<u>8.00</u>	<u>720.00</u>
GEL	<u>5 SX</u>	@	<u>20.80</u>	<u>104.00</u>
CHLORIDE	<u>7 SX</u>	@	<u>58.20</u>	<u>407.40</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>237</u>	@	<u>2.40</u>	<u>568.80</u>
MILEAGE	<u>237 X 60 X 10 =</u>			<u>1422.00</u>
				TOTAL <u>5,307.95</u>

REMARKS:

pipe on bottom break Circulation, mixed
225 SX 66140' 3% CC, 2% Gel and displaced
with 14,52 BBLs of water and had 15'
Cement did Circulate

SERVICE

DEPTH OF JOB 243'

PUMP TRUCK CHARGE _____ 1,018.00

EXTRA FOOTAGE _____ @ _____

MILEAGE 60 @ 7.50 450.00

MANIFOLD _____ @ _____

_____ @ _____

_____ @ _____

TOTAL 1,468.00

CHARGE TO: American Energies

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

PRINTED NAME X Mike Kern

SIGNATURE X Mike Kern

**NOTICE TO OPERATORS FILING INTENT TO DRILL
FOR DISPOSAL OR ENHANCED RECOVERY
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in K.A.R. 82-3-400 et seq of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.

**HAUL-OFF PIT APPLICATION
FILING REQUIREMENTS**

82-3-607.

DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;

- (2) a \$2,500 penalty for the second violation; and
- (3) a \$5,000 penalty and an operator license review for the third violation.

File Haul-Off Pit Application in SOLAR. Review the information below and attach all required documents to the pit application when submitting through SOLAR. This form will automatically generate and fill in from questions asked in SOLAR.

Haul-off pit will be located in an on-site disposal area: ___Yes ___No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: ___Yes ___No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: ___Yes ___No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.



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

February 09, 2010

Karen Houseberg
American Energies Corporation
155 N MARKET STE 710
WICHITA, KS 67202-1821

Re: Drilling Pit Application
Gonzales OWWO 1-33
SE/4 Sec.33-27S-07W
Kingman County, Kansas

Dear Karen Houseberg:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit, through SOLAR. This location will have to be inspected prior to approval of the haul-off pit application.

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>