

For KCC	Use:	
Effective	Date:	
District #		
0040		

This authorization expires: ___

Spud date: _

(This authorization void if drilling not started within 12 months of approval date.)

_ Agent: _

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 October 2007 Form must be Typed

ERATOR: License#	feet from N / S Line of Sect feet from E / W Line of Sect feet from E / W Line of Sect feet from E / W Line of Sect 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? Target Formation(s): Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: feet M Water well within one-quarter mile: Public water supply well within one mile: Yes Depth to bottom of fresh water: Depth to bottom of usable water:		
State:	feet from N / S Line of Sect feet from E / W Line of Sect 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 It Target Formation(s): Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: feet M Water well within one-quarter mile: Public water supply well within one mile: Yes Depth to bottom of fresh water: Depth to bottom of usable water:		
State:	Is SECTION: Regular Irregular? (Note: Locate well on the Section Plat on reverse side) County: Well #: Field Name: Well #: Field Name: Is this a Prorated / Spaced Field? Yes I Target Formation(s): Searest Lease or unit boundary line (in footage): Ground Surface Elevation: feet M Water well within one-quarter mile: Yes Depth to bottom of fresh water: Depth to bottom of usable water: Depth to bottom of usable water:		
State: Zip: +	(Note: Locate well on the Section Plat on reverse side) County: Lease Name: Well #: Field Name: Is this a Prorated / Spaced Field? Target Formation(s): Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: feet M Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: Depth to bottom of usable water:		
State: Zip: + Intact Person:	County:		
State: Zip: + Intact Person:	County:		
NTRACTOR: License#	Lease Name:		
NTRACTOR: License#	Field 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:	Target Formation(s):		
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:	Target Formation(s):		
Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic; # of Holes Other Other:	Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: Depth to bottom of usable water:		
Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic; # of Holes Other Other:	Ground Surface Elevation:feet M Water well within one-quarter mile:Yes Public water supply well within one mile:Yes Depth to bottom of fresh water: Depth to bottom of usable water:		
Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Public water supply well within one mile: Depth to bottom of fresh water: Depth to bottom of usable water:		
Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Depth to bottom of fresh water:		
Seismic ; # of Holes Other Other:	Depth to bottom of fresh water: Depth to bottom of usable water:		
Other:	Depth to bottom of usable water:		
If OWWO: old well information as follows:	Surface Pipe by Alternate: I II		
	Length of Surface Pipe Planned to be set:		
Operator:	Length of Conductor Pipe (if any):		
Well Name:			
Original Completion Date: Original Total Depth:	Formation at Total Depth:		
	Water Source for Drilling Operations:		
ectional, Deviated or Horizontal wellbore?	Well Farm Pond Other:		
s, true vertical depth:	DWR Permit #:		
om Hole Location:	(Note: Apply for Permit with DWR)		
C DKT #:	Will Cores be taken?		
	If Yes, proposed zone:		
 The appropriate district office will be notified before well is either plugger. If an ALTERNATE II COMPLETION, production pipe shall be cemented or pursuant to Appendix "B" - Eastern Kansas surface casing order # 	h drilling rig; by circulating cement to the top; in all cases surface pipe shall be set le underlying formation. trict office on plug length and placement is necessary prior to plugging ;		
For KCC Use ONLY API # 15 Conductor pipe required feet Alinimum surface pipe required feet per ALT. I II	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);		

check the box below and return to the address below.

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



IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

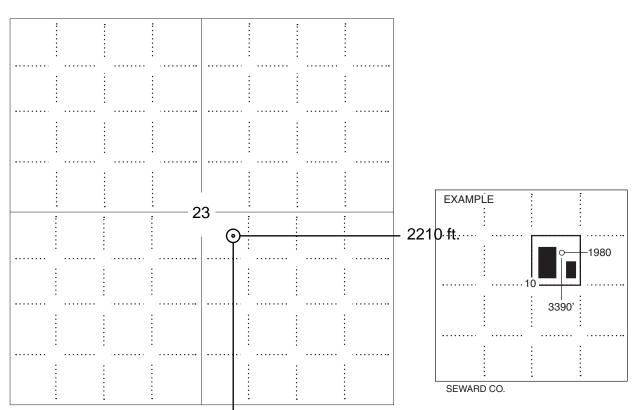
Plat of acreage attributable to a well in a prorated or spaced field

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:	Location of Well: County:
_ease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R
Number of Acres attributable to well:	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.

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,
- 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 OIL & GAS CONSERVATION DIVISION

021537

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: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water Is the bottom below ground level? Yes No Pit dimensions (all but working pits): Depth from If the pit is lined give a brief description of the material, thickness and installation procedure	Artificial Liner? Yes 1 Length (feom ground level to de	No No et) Describe proce					
Distance to nearest water well within one-mile	of pit	Depth to shallo	west fresh waterfeet.				
feet Depth of water well	feet		redwell owner electric logKDWR				
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 flow into the pit? Yes No Submitted Electronically		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.					
KCC OFFICE USE ONLY Steel Pit RFAC RFAS							
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No				



Kathleen Sebelius, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

August 25, 2008

Karen Houseberg American Energies Corporation 155 N MARKET STE 710 WICHITA, KS67202-1821

Re: Drilling Pit Application Talbot Lease Well No. 1-23 SE/4 Sec.23-23S-02W Harvey County, Kansas

Dear Karen Houseberg:

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

District staff has recommended that the reserve pit be lined with bentonite or native clay, constructed <u>without slots</u>, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve 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, 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/

A copy of this letter should be posted in the doghouse along with the approved Intent to **Drill**. If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.