

For KCC Use: 3-29-04
Effective Date: 3-29-04
District #: 2
S G A ? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED

Form C-1
September 1999
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

MAR 18 2004

KCC WICHITA

Expected Spud Date March 22 2004
month day year

Spot NE - NE - SW Sec. 18 Twp. 19 S. R. 7 East West
2310' fsl feet from (circle one) Line of Section
2310' fwl feet from (circle one) Line of Section
Is SECTION XX Regular Irregular?

OPERATOR: License# 5399
Name: American Energies Corporation
Address: 155 N. Market, Suite 710
City/State/Zip: Wichita, KS 67202
Contact Person: Alan L. DeGood, President
Phone: (316) 316-263-5785

(Note: Locate well on the Section Plat on reverse side)
County: Chase
Lease Name: Stevens A Well #: 1
Field Name: Wildcat

CONTRACTOR: License# 5495
Name: McPherson Drilling Co., Inc.

Is this a Prorated / Spaced Field? Yes No
Target Information(s): Lansing
Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 1214' estimated 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: 60'
Depth to bottom of usable water: 60'

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

* Surface Pipe by Alternate: XX 1
Length of Surface Pipe Planned to be set: 90' minimum*
Length of Conductor Pipe required: None
Projected Total Depth: 1200'
Producing Formation Target: Lansing

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth:

Water Source for Drilling Operations:
Well _____ Farm Pond _____ Other XX
DWR Permit #: _____
(Note: Apply for Permit with DWR)
Will Cores be taken? Yes No
If Yes, proposed zone: _____

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

**Alt. 1 EXCEPTION
GRANTED 3-24-04**

AFFIDAVIT

*-Exception Requested for surface casing min. 90'.

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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 11 COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 days** of spud date. **In all cases, NOTIFY district office** prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 03/16/04 Signature of Operator or Agent: Alan L. DeGood Title: President
Alan L. DeGood

For KCC Use ONLY
API # 15 - 017-20861-00-00
Conductor pipe required NONE feet Per Alt-1 Exception
Minimum surface pipe required 90 feet per Alt 1
Approved by: RJR 3-24-04
This authorization expires: 9-24-04
(This authorization void if drilling not started within 6 months of effective 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;
- Obtain written approval before disposing or injecting salt water.

18
19
7E

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: American Energies Corporation
 Lease: Stevens A
 Well Number: 1
 Field: _____
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: SW - SW - SE

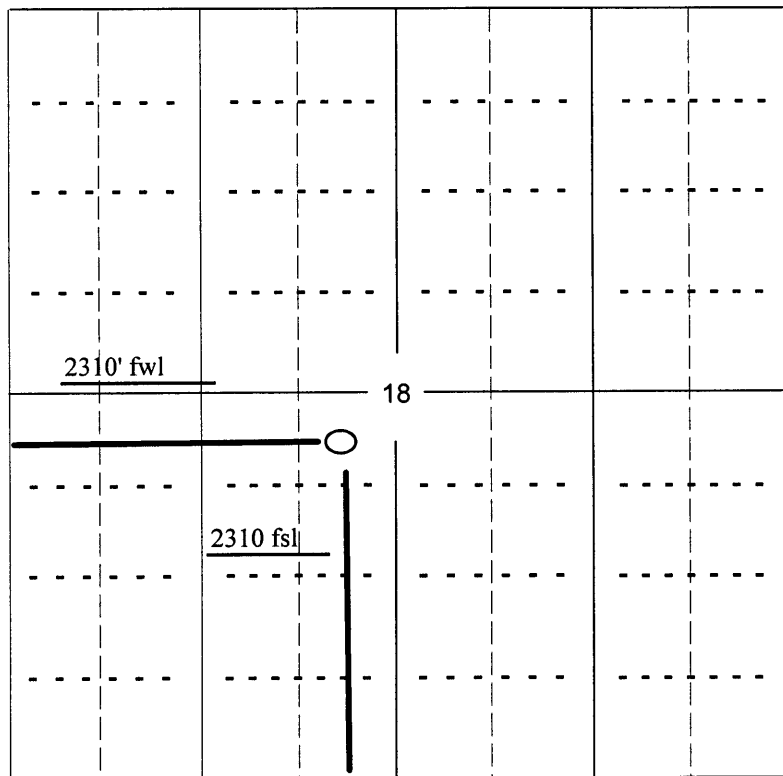
Location of Well: County: Chase
 2310' fsl _____ feet from S N (circle one) Line of Section
 2310' fwl _____ feet from E W (circle one) Line of Section
 Sec 18 Twp 19 S. R 7 East West

Is Section XX Regular or _____ Irregular

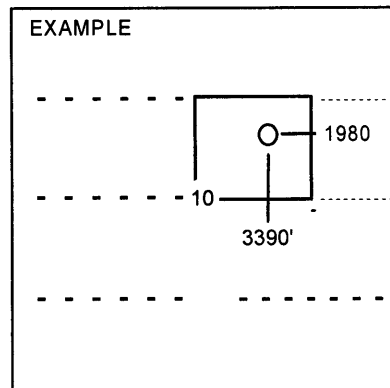
If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: ___NE ___NW -SE ___SW

PLAT

*(Show location of the well and shade attributable acreage for prorated or spaced wells)
 (Show footage to the nearest lease or unit boundary fine.)*



RECEIVED
 MAR 18 2004
 KCC WICHITA



NOTE., In all cases locate the spot of the proposed drilling location.

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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).