

For KCC Use:  
Effective Date: 7-5-04  
District #: 2  
S G A ?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

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

Expected Spud Date June 25 2004  
month day year

Spot: Approx: 75' E 90' W of  
NE - NW - SE Sec. 15 Twp. 23 S. R. 3  East  West  
2310' fsl feet from (S) N (circle one) Line of Section  
1740' fel feet from (E) W (circle one) Line of Section  
Is SECTION XX Regular  Irregular?

OPERATOR: License# 5399 6/30/05  
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: Harvey  
Lease Name: Epp A Well #: 1  
Field Name: Harvey

CONTRACTOR: License# 5892  
Name: Berentz Drilling Company, Inc.

Is this a Prorated / Spaced Field?  Yes  No

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

Target Information(s): Warsaw  
Nearest Lease or unit boundary: 330'  
Ground Surface Elevation: 1458' feet MSL

Water well within Dne-quarter mile:  Yes  No  
Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: 100' 260'  
Depth to bottom of usable water: 100' 280'

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

Surface Pipe by Alternate: XX 1 \_\_\_\_\_ 2 \_\_\_\_\_  
Length of Surface Pipe Planned to be set: 240' 300' min

Length of Conductor Pipe required: None  
Projected Total Depth: 3350'

Directional, Deviated or Horizontal wellbore?  Yes  No  
If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_  
KCC DKT #: \_\_\_\_\_ JUN 14 2004

Producing Formation Target: Warsaw

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: \_\_\_\_\_

CONSERVATION DIVISION  
WICHITA, KS

AFFIDAVIT

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.

\* 13" conductor is advised  
to 60-80'

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

Date: 6/8/04 Signature of Operator or Agent: Karen Houseberg Title: President  
Karen Houseberg

For KCC Use ONLY  
API # 15 - 079- 20662-00-00  
Conductor pipe required none feet  
Minimum surface pipe required 300 feet per Alt ①  
Approved by: RJP 6-30-04  
This authorization expires: 12-30-04  
(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.

15  
23  
3W

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

**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: Epp A  
 Well Number: 1  
 Field: Burton Northeast  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: Harvey  
 2310' fsl \_\_\_\_\_ feet from S / N (circle one) Line of Section  
 1740' fel \_\_\_\_\_ feet from E / W (circle one) Line of Section  
 Sec 15 Twp 23 S. R 3  East  West

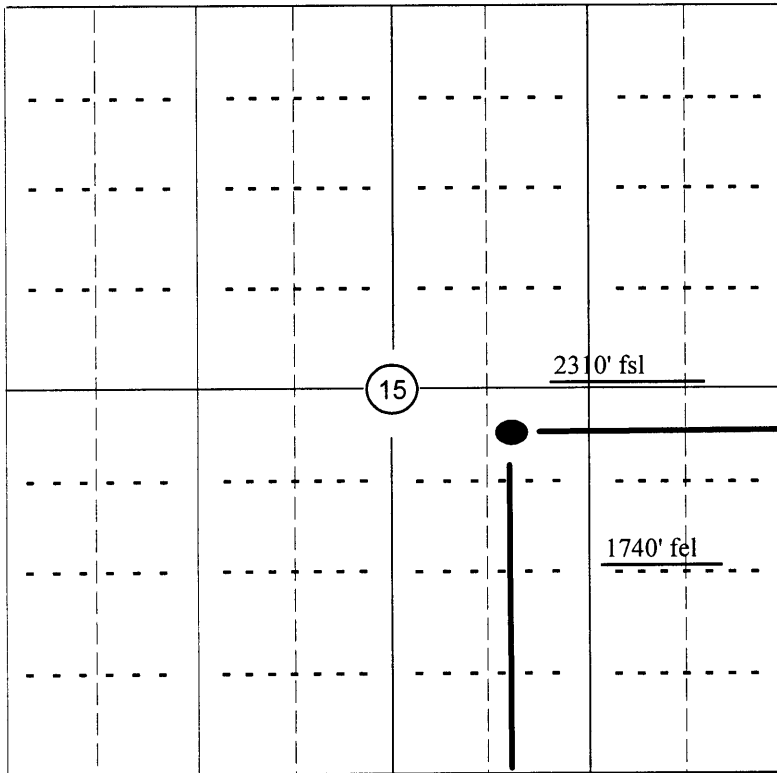
Is Section XX Regular or \_\_\_\_\_ Irregular

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

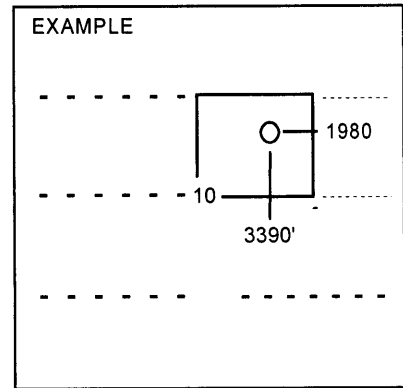
Section corner used: \_\_\_NE \_\_\_NW -SE \_\_\_SW

**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  
 KANSAS CORPORATION COMMISSION  
 JUN 14 2004  
 CONSERVATION DIVISION  
 WICHITA, KS



SEWARDCO.

**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).

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

JOHN WINE, COMMISSIONER

ROBERT E. KREHBIEL, COMMISSIONER

June 30, 2004

Mr. Alan L. DeGood  
American Energies Corp.  
155 N. Market Ste 710  
Wichita, KS 67202

Re: Drilling Pit Application  
Epp A Lease Well No. 1  
SE/4 Sec. 15-23S-03W  
Harvey County, Kansas

Dear Mr. DeGood:

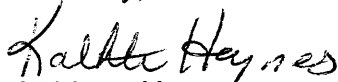
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and **all pits must be lined with bentonite**. The free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours after drilling operations have ceased.

**If production casing is set all completion fluids shall be removed on a daily basis.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 337-6231 when the fluids have been removed. Also, please file the enclosed CDP-5, Surface Pond Waste Transfer, within 30 days of fluid removal.

**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 undersigned at the above address.

Sincerely,



Kathleen Haynes

Environmental Protection and Remediation Department

cc: Doug Louis