9-21-05 For KCC Use: Effective Date: SGA? XYes No

RECEIVED KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISIONAUG 0 8 2005

December 2002 Form must be Typed Form must be Signed

NOTICE OF INTENT TO DRIVE WICHITA Must be approved by KCC five (5) days prior to commercing well

Form C-1 All blanks must be Filled

OPERATOR: License# 5399 OPERATOR: License# 5399 Name: American Energies Corporation Address: 155 North Market, Suite 710 City/State/Zip: Wichita, KS 67202 Contact Person: Karen Houseberg Phone: 316-263-5785 CONTRACTOR: License# 32701 Name: C & G Drilling Company Well Drilled For: Well Class: Type Equipment: Well Drilled For: Well Class: Type Equipment: Wanw SW SE Sec. 23 Twp. 22 S. R. 2 V W 990' fsl feet from N / V S Line of Section 1s SECTION Pegular Irregular? (Note: Locate well on the Section Plat on reverse side) County: Harvey Lease Name: EWY Field Name: Is this a Prorated / Spaced Field? Target Formation(s): Swope/Osage/Viola/Simpson Nearest Lease or unit boundary: 320 + Nearest Lease or unit boundary: 320 + Ground Surface Elevation: 1460 estimated feet N	August 15, 2005	, , , , , , , , , , , , , , , , , , , ,
OPERATOR: Licenses 5399 Name:	Expected Spud Date	' Lasi
O'E-HATCH: Loensel American Energies Corporation Address: 155 North Matel, Suite 710 Address: 155 North Matel, Suite 710 Contact Person, Karen Houseberg Contact Person, Karen Houseberg CONTRACTOR: Loensel 32701 Name: C. & G. Drilling Company Well Drilled For: Well Cass: Vol. Matel Drilled For: Well Cass: Vol. Matel Drilled For: Well Cass: Vol. Michael Drilled For: Well Wildcat: Seismite: of Hoise Other University of Wildcat: of Hoise other Univers	,	
Name:	OPERATOR: License# 5399	leet non No Section
City/Stack/Zip, Wichita, KS 67202 Contact Prenor, Maren Houseberg Phone: 316-283-5785 CONTRACTOR: Licenses 32701 Name: C & G Drilling Company Well Drilled For: Well class: Type Equipment Well Drilled For: Well class: Type Equipment Oil Enh Rec Infield Mud Rofary Gas Storage Pool Ext. Air Rotary Owl Disposal Widdat Cable Selemine: a of Holes Other Other	Name: American Energies Corporation	leet from VE / W Line of Section
County, Harvey County, Harvey Count	Address: 155 North Market, Suite 710	Is SECTIONRegularIrregular?
County, Harvey County, Harvey Count	City/State/Zip: Wichita, KS 67202	(Note: Locate well on the Section Plat on reverse side)
Phone: 316-263-5785 Lease Name: EWY Well #,1-23	Contact Person: Karen Houseberg	
Field Name C. & G. Drilling Company Ves Name Name C. & G. Drilling Company Ves Name N	Phone: 316-263-5785	
Name: C & G Drilling Company Well Drilled For: Well Cass: Type Equipment:	20704	
Well Drilled Far: Well Class: Type Equipmegt: Hearest Lease or unit boundary: 320	CONTRACTOR: License# 32701	Is this a Prorated / Spaced Field?
Well Drilled For: Well Class: Type Equipment Search Infield Mud Refary Ground Surface Elevation: 1460 astimated Get Not Ground Surface Elevation: 1460 Ground Surface Pipe Surface Surface Pipe Surface P	Name: C & G Drilling Company	/ Target Formation(s): Swope/Osage/Viola/Simpson
Ground Surface Elevation: 1460 estimated Ground Surface Elevation:	Wall Drillad Far: Wall Class: Time Faviament:	Nearest Lease or unit boundary: 330+
Water well within one-quarter mile: Yes		
Disposal Wildcat Cable Depth to bottom of fresh water. Depth to bottom of lesh water. Depth to bottom of usable water. Depth to bottom of tesh water. Depth to bottom of tesh water. Depth to bottom of tesh water. Depth to bottom of fresh water. Depth to bottom of to		
Depth to bottom of tresh water: SO Depth to bottom of usable water: So Depth		
Depth to bottom of usable water: 2		
If OWWC: old well information as follows: Operator:	Seismic;# of Holes Other	150
If OWWO: old well information as follows: Operator: Well Name: Original Completion Date: Original	Other	
Operator: Well Name: Original Completion Date: Original Total Depth: Directional, Deviated or Horizontal wellbore? Well Name: Original Completion Date: Original Total Depth: Water Source for Drilling Operations: Water	W 04440	
Well Name: Original Completion Date: Original Total Depth: Original Completion Date: Original Co		Length of Surface Fibe Flatified to be set:
Original Completion Date: Original Total Depth: Simpson Water Source for Drilling Operations: Water Source for Drilling Operation with In DWR Water Source for Drilling Operation of Drilling Operation of Source with In DWR Water Source operation of Drilling Operation of Source with In DWR Water Source operation of Drilling Operation of Source with In DWR Water Source operation of Drilling Operation of Source with In DWR Water Source operation of Drilling Operation of Source operation of Source of Permit Water Source operation of Drilling Operation of Source op		
Water Source for Drilling Operations: Water Source for Drilling Operations: Well Farm Pond Other Other		
Well Farm Pond Other Oth	Original Completion Date:Original Total Depth:	Tomation at Total Dopin.
If Yes, true vertical depth: DWR Permit #:	Directional Deviated or Horizontal wellhore?	Water Source for Drilling Operations:
Note: Apply for Permit with DWR		
Yes Will Cores be taken? Yes		
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 appropriate district office prior to spudding of well; 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 cement 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. I hereby certify that the statements made herein are true and to the best of my knowledge and belief. Por KCC Use ONLY API # 15 . O 7 9 . 2 0 6 6 6 00 00 Conductor pipe required No NE feet per Alt. 1 e Approved by: 1 9 9 16 0 5 Title: Geo. Asst. Remember to: - File Completion Form ACO-1 within 120 days of spud date; - File completion Form ACO-1 within 120 days of spud date; - File completion Form ACO-1 within 120 days of spud date; - File completion Form ACO-1 within 120 days of spud date; - File completion Form ACO-1 within 120 days of spud date; - File completion Form ACO-1 within 120 days of spud date; - File completion Form ACO-1 within 120 days of spud date; - File completion Form ACO-1 within 120 days of spud date; - File completion Form ACO-1 wit		(Note: Apply for Permit with DWR)
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Date	Spud date:Agent:	110
Mali to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202		*

RECEIVED AUG 0 8 2005

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

KCC WICHITA

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.

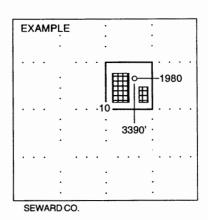
API No. 15	Location of Well: County: Harvey
Operator: American Energies Corporation	•
Lease: EWY	990' fsl feet from N / V S Line of Section 2475' fel feet from V E / W Line of Section
Well Number: 1-23	Sec. 23 Twp. 22 S. R. 2 East West
Field:	
Number of Acres attributable to well:	Is Section: 🔽 Regular or 🗌 Irregular
QTR / QTR / QTR of acreage:	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.)

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	· · ·		1910			•



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 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: (C0-7 for oil wells; CG-8 for gas wells).



CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

September 16, 2005

Ms. Karen Houseberg American Energies Corporation 155 N. Market Ste 710 Wichita, KS 67202

Re: Drilling Pit Application

Ewy Lease Well No. 1-23 SE/4 Sec. 23-22S-02W Harvey County, Kansas

Dear Ms. Houseberg:

District staff has inspected the above referenced location and has determined that the reserve pit shall be 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 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 48 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) 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: www.kcc.state.ks.us/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 undersigned at the above address.

Sincerely,

Kathy Haynes

Environmental Protection and Remediation Department

cc: Doug Louis

