

OWWO

For KCC Use: Effective Date: 11-22-06 District #: \_\_\_\_\_ SGA?  Yes  No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION NOTICE OF INTENT TO DRILL

Form C-1 December 2002 Form must be Typed Form must be Signed All blanks must be Filled

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

Expected Spud Date November 27, 2006 month day year

Spot NE SW NW Sec. 18 Twp. 21 S. R. 3  East  West 1650' fml feet from  N /  S Line of Section 990' fwl feet from  E /  W Line of Section Is SECTION  Regular  Irregular?

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

(Note: Locate well on the Section Plat on reverse side) County: Marion Lease Name: Good 'B' Well #: 8 Field Name: Unger

CONTRACTOR: License# 33217 Name: Three River Exploration

Is this a Prorated / Spaced Field?  Yes  No Target Formation(s): Arbuckle Nearest Lease or unit boundary: 990

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

Ground Surface Elevation: 1446' feet MSL Water well within one-quarter mile:  Yes  No Public water supply well within one mile:  Yes  No

If OWWO: old well information as follows: Operator: Cities Service Well Name: Good 'B' 8 15-115-72264 Original Completion Date: 8/10/56 Original Total Depth: 2960

Depth to bottom of fresh water: 180 Depth to bottom of usable water: 200 Surface Pipe by Alternate:  1  2 Length of Surface Pipe Planned to be set: 105' existing

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

Length of Conductor Pipe required: None Projected Total Depth: 3260' Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:  Well  Farm Pond Other 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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief. Date: 11/17/06 Signature of Operator or Agent: Karen Houseberg Title: Tech. Asst.

For KCC Use ONLY API # 15 - 115-19119-00-01 Conductor pipe required NONE feet Minimum surface pipe required 105 feet per Alt. 1 2 Approved by: Wtm 11-22-06 This authorization expires: 5-22-07 (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. - 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 RECEIVED Signature of Operator or Agent: \_\_\_\_\_ Date: NOV 21 2006

**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 - 115-19119-00-01  
 Operator: American Energies Corporation  
 Lease: Good 'B'  
 Well Number: 8  
 Field: Unger  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: NE - SW - NW

Location of Well: County: Marion  
1650' feet from  N /  S Line of Section  
990' fwl feet from  E /  W Line of Section  
 Sec. 18 Twp. 21 S. R. 3  East  West

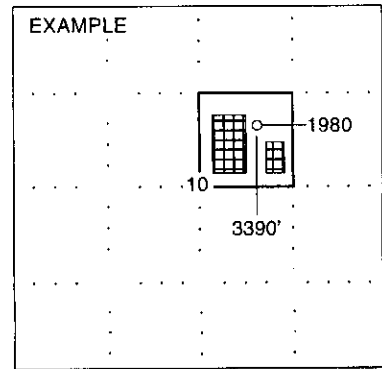
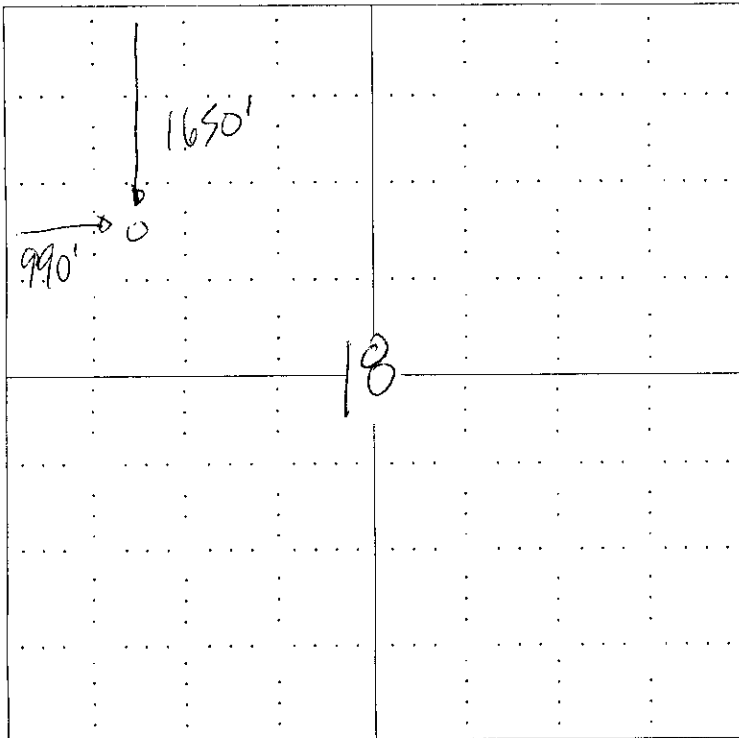
Is Section:  Regular or  Irregular

**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, 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).

**RECEIVED**  
**NOV 21 2006**  
**KCC WICHITA**

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**APPLICATION FOR SURFACE PIT**

Form CDP-1  
April 2004  
Form must be Typed

Submit in Duplicate

Operator Name: <b>American Energies Corporation</b>		License Number: <b>5399</b>
Operator Address: <b>155 North Market, Suite 710, Wichita, KS 67202</b>		
Contact Person: <b>Karen Houseberg</b>		Phone Number: ( <b>316</b> ) <b>263 - 5785</b>
Lease Name & Well No.: <b>Good B 8 OWWO</b>		Pit Location (QQQQ): <b>NE SW NW</b> Sec. <b>18</b> Twp. <b>21</b> R. <b>4</b> <sup>3</sup> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>1650</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>990</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Marion</b> County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>800</b> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? <b>Clay and Bentonite on bottom of pit</b>
Pit dimensions (all but working pits): <b>50</b> Length (feet) <b>75</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>3</b> (feet)		
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 <b>924</b> feet    Depth of water well <b>192</b> feet		Depth to shallowest fresh water <b>42</b> feet. Source of information: <b>KH Kes</b> <sup>(2)</sup> _____ measured _____ well owner _____ electric log _____ KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Chemical mud</b> Number of working pits to be utilized: <b>3</b> Abandonment procedure: <b>Pump to reserve pit, allow to dry and backfill</b> Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
<b>11/13/06</b> Date		<i>Karen Houseberg</i> Signature of Applicant or Agent
<b>KCC OFFICE USE ONLY</b>		
Date Received: <b>11/21/06</b> Permit Number: _____ Permit Date: <b>11/21/06</b> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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

RECEIVED

NOV 21 2006

15-115-19119-00-07

15-115-19119-00-00

Casing Record

3" 105' cemented w/  
135 socks

T. D. 2960 ft.

Kelly logging measurements 5' above ground level.

Location: 01 NE SW NW  
Sec. 10-21S-3E  
Marion County, Kansas

Farm: Good B-B  
Well Owner: Cities Service Oil Company  
Contractor: White & Ellis Drilling, Inc.  
Started: 7-29-56  
Completed: 8-6-56

Formation	Depth
Sod and clay	20
Shale	58
Lime	89
Lime & anhydrite	105
Lime	170
Red rock	180
Lime	220
Red rock	240
Lime	290
Red rock	310
Lime	350
Shale	400
Lime	550
Shale & lime	625
Shale	700
Lime & shale	780
Shale & shells	1080
Sand	1130
Shale & shells	1170
Lime	1250
Shale	1375
Lime	1400
Shale	1460
Shale & lime	1624
Lime	1700
Shale	1748
Lime & shale	1866
Shale, sandy	1970
Lime & shale	2044

Simpson Sand 2960

Dry hole, plug and abandon

Top of Lansing  
Lime 2266

Top of Kansas City  
Lime 2416  
Lime & shale 2616  
Chert, Mississippi 2653  
Lime 2683  
Shale 2892  
Lime 2909

Top of Viola  
Lime 2949

**PLUGGING**

FILE SEC 10 T. 21 R. 3 E  
BOOK PAGE 87 LINE 27

**RECEIVED**  
STATE CORPORATION COMMISSION

AUG 9 1956

CONSERVATION DIVISION  
Wichita, Kansas

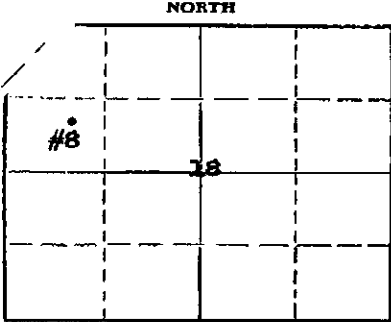
**RECEIVED**

NOV 21 2006

KCC WICHITA

KANSAS  
CONSERVATION  
COMMISSION  
Completely  
at the  
Division  
Conservation  
Division  
Wichita, Kansas

15-115-19119-00-00  
WELL PLUGGING RECORD



Locate well correctly on above Section Plat

Marion County, Sec. 18 Twp. 21 Rge. 3 (E) (W)  
Location as "NE/CNWxSWx" or footage from lines 1650'S 1060'E of NW Corner  
Lease Owner Cities Service Oil Co.  
Lease Name Good B Well No. 8  
Office Address Bartlesville, Oklahoma  
Character of Well (completed as Oil, Gas or Dry Hole) Dry Hole  
Date well completed August 6 19 56  
Application for plugging filed " 6 19 56  
Application for plugging approved " 6 19 56  
Plugging commenced " 6 19 56  
Plugging completed " 6 19 56  
Reason for abandonment of well or producing formation

If a producing well is abandoned, date of last production 19  
Was permission obtained from the Conservation Division or its agents before plugging was commenced? yes

Name of Conservation Agent who supervised plugging of this well Jim Robinson  
Producing formation Depth to top Bottom Total Depth of Well 2960' Feet  
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

PERMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULLED OUT
				8 5/8"	105'	Left in.

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 feet to feet for each plug set.

Mud to 105', drove wooden plug to 104' and cemented with 15 sacks of cement, mud to 20' and put in wooden plug and 5 sacks cement to surface.

RECEIVED  
STATE CORPORATION COMMISSION  
AUG 10 1956  
CONSERVATION DIVISION  
Wichita, Kansas

(If additional description is necessary, use BACK of this sheet)  
Name of Plugging Contractor White & Ellis  
Address El Dorado, Kansas

STATE OF KANSAS, COUNTY OF BUTLER, ss.  
W. C. Smith (employee of owner) or (owner or operator) of the 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 as filed and that the same are true and correct. So help me God.  
(Signature) *William C. Smith*

SUBSCRIBED AND SWORN TO before me this 8th day of August, 19 56  
*William C. Smith*  
Notary Public.

My commission expires June 6, 1959

PLUGGING  
FILE SEC 18 T 21 R 3E  
BOOK PAGE 97 LINE 27

RECEIVED  
NOV 21 2006  
KCC WICHITA

15-115-19119-00-00  
DISTRICT CONSERVATION AGENT'S REPORT

State Corporation Commission  
Conservation Division  
211 North Broadway  
Wichita, Kansas

FILE NO. \_\_\_\_\_

LOCATION NE SW NW

SEC. 18 TWP. 21 RGE. 3E

Dry Hole X Abandoned Oil Well \_\_\_\_\_ Abandoned Gas Well \_\_\_\_\_

I have this date completed supervision of plugging of:

Well No. 8 Lease Good "B"

Operator Cities Service Oil Co. Address Oil Hill, Kansas.

Field Unger(Southwest) County Marion

Total Depth 2960 Feet.

Plugging Contractor White & Ellis Drl'g Co.

Plugging Contractor's License No. 37

Address Eldorado, Kansas.  
(Describe Briefly the manner in which the well was plugged)

This well was plugged from the bottom(2960 ft.), back up to the bottom of the surface pipe(105 ft.) with heavy rotary mud. The hole was then bridged, and cemented with 15 sacks of cement. Then mudded again back up to 20 ft., and cemented again with 5 sacks of cement. There was no oil string run. There were 105 ft. of 8-5/8" surface pipe set, cemented, that was left in the hole.

District Conservation Agent  
Date August 6, 1956.

PLUGGING  
FILE SEC. 18 T. 21 R. 3E  
BOOK PAGE 87 LINE 27

RECEIVED  
STATE CORPORATION COMMISSION  
AUG  
CONSERVATION DIVISION  
Wichita, Kansas  
NOV 21 2006  
KCC WICHITA

# KANSAS

CORPORATION COMMISSION

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

November 22, 2006

American Energies Corporation  
155 N. Market, Suite 710  
Wichita, Kansas 67202

Attn: Ms. Karen Houseberg

Re: Surface Pipe Exception  
Good "B" No. 8 OWWO  
NE-SW-NW 18-21-3E  
Marion County, Kansas

Dear Ms. Houseberg:

The Kansas Corporation Commission (KCC) has received your proposal, dated November 17, 2006, concerning an exception to Table 1 surface pipe requirements for the above-referenced well which was drilled and plugged as the Cities Service Good "B" \* in 1956. From your request, the KCC understands that American Energies Corporation desires to re-enter this well, which has 105' of surface pipe set. The Table 1, Alternate 1 completion minimum surface pipe requirement related to surface pipe setting depth for wells drilled in Marion County is 200'. The surface pipe set in this previously plugged well does not meet the present surface pipe setting depth requirement.

After reviewing your proposal by technical staff an exception is granted for the Table 1, Minimum Surface Casing Requirements for the above referenced well with the following stipulations:

1. The production or long string casing nearest the formation wall shall be cemented from a depth of **at least 200'** back to surface. Your proposal to cement production casing from total depth back to surface or to set a stage collar at 1000' and cement back to surface would certainly meet this stipulation.

15-115-19119-00-07

2. In the event that a decision is made not to run production casing and no production casing has been cemented in place, plugging will be performed according to KCC regulations per KCC District #2 instructions.

Sincerely,



M.L. Korphage

CC: Rick Hestermann *RK*  
Doug Louis, KCC District #2 *OK 11/20/06*  
File *UK*

15-115-19119-00-01