



For KCC Use: 9-3-07
 Effective Date: _____
 District # 1
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1011442
 OIL & GAS CONSERVATION DIVISION

Form C-1
 November 2005
 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: 09/15/2007
 month day year

OPERATOR: License# 5399
 Name: American Energies Corporation
 Address 1: 155 N MARKET STE 710
 Address 2: _____
 City: WICHITA State: KS Zip: 67202 + 1821
 Contact Person: Karen Houseberg
 Phone: 316-263-5785

CONTRACTOR: License# 5123
 Name: Pickrell Drilling Company, Inc.

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

If OWWO: old well information as follows:

Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

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

Spot Description: _____
 _____ - _____ - NE - NE Sec. 14 Twp. 31 S. R. 13 E W
 (0000) 660 feet from N / S Line of Section
660 feet from E / W Line of Section

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

County: Barber
 Lease Name: Maddix Trust Well #: 1-14
 Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippian

Nearest Lease or unit boundary line (in footage): 660
 Ground Surface Elevation: 1659 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: 100
 Depth to bottom of usable water: 180

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 200
 Length of Conductor Pipe (if any): 0

Projected Total Depth: 4300
 Formation at Total Depth: Mississippian

Water Source for Drilling Operations:
 Well Farm Pond 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: 8/28/07 Signature of Operator or Agent: [Signature] Title: Tech Asst

RECEIVED
 KANSAS CORPORATION COMMISSION

AUG 29 2007

CONSERVATION DIVISION
 WICHITA, KS

For KCC Use ONLY
 API # 15 - 007-23191-000
 Conductor pipe required 0 feet
 Minimum surface pipe required 200 feet per ALT. I II
 Approved by: [Signature]
 This authorization expires: 2-29-08
 (This authorization void if drilling not started within 6 months of approval 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 (within 60 days);
 - 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 Date: _____
 Signature of Operator or Agent: _____

14
31
13
 E
 W



1011442

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 - 007-23191-0000
Operator: American Energies Corporation
Lease: Maddix Trust
Well Number: 1-14
Field: Wildcat

Location of Well: County: Barber
660 feet from N / S Line of Section
660 feet from E / W Line of Section
Sec. 14 Twp. 31 S. R. 13 E W

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ - _____ - NE - NE

Is Section: Regular or Irregular

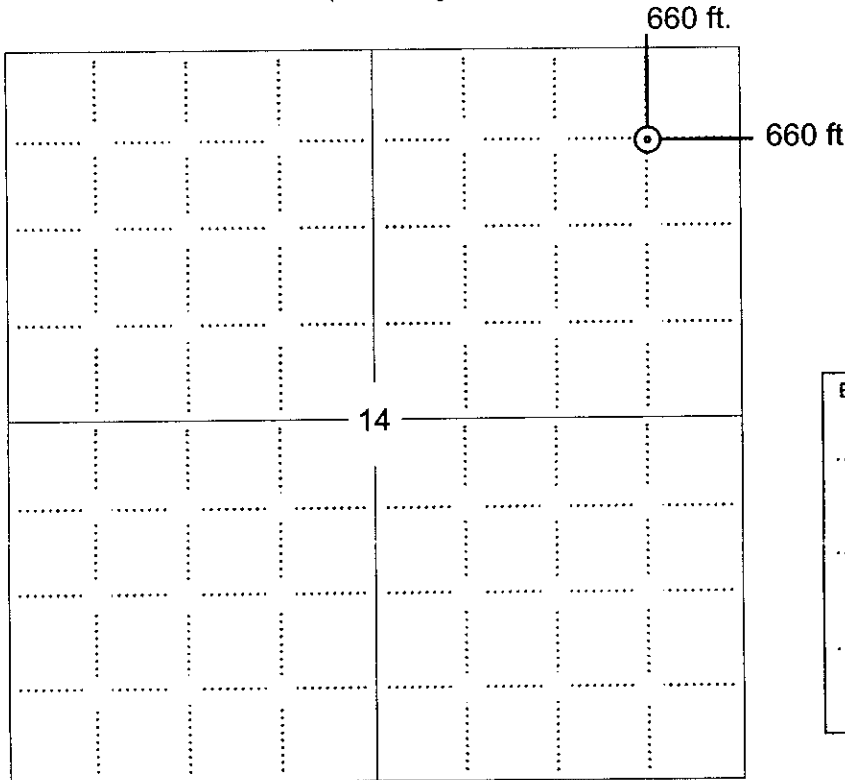
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

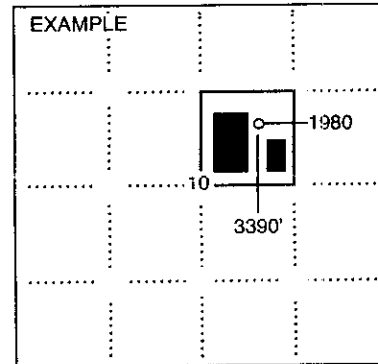
(Show footage to the nearest lease or unit boundary line.)



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CORPORATION DIVISION
MCHENNA, KS



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



KANSAS CORPORATION COMMISSION 1011442
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: American Energies Corporation		License Number: 5399	
Operator Address: 155 N MARKET STE 710		WICHITA KS 67202	
Contact Person: Karen Houseberg		Phone Number: 316-263-5785	
Lease Name & Well No.: Maddix Trust 1-14		Pit Location (QQQQ): NE NE	
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: 800 _____ (bbbls)	
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? Clay and bentonite on bottom of pit		Sec. 14 Twp. 31 R. 13 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 660 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Barber _____ County	
Pit dimensions (all but working pits): 50 Length (feet) 75 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 3 (feet) <input type="checkbox"/> No Pit			
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. Will monitor location and crowd pit if necessary before restoring location	
Distance to nearest water well within one-mile of pit 2346 feet Depth of water well 32 feet		Depth to shallowest fresh water 32 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR	
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 spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Chemical mud Number of working pits to be utilized: 3 Abandonment procedure: Pump to reserve pit, allow to dry and backfill RECEIVED 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.		AUG 29 2007 CONSERVATION DIVISION WICHITA, KS	
8/28/07 Date		Karen Houseberg Signature of Applicant or Agent	
KCC OFFICE USE ONLY Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input checked="" type="checkbox"/>			
Date Received: 8/29/07 Permit Number: _____ Permit Date: 8/29/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

15-207-23191-0000



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

August 27, 2007

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

Re: Drilling Pit Application
Maddix Trust Lease Well No. 1-14
NE/4 Sec.14-31S-13W
Barber County, Kansas

Dear Karen Houseberg:

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 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 as soon as practical after drilling operations have ceased. **Keep pits away from the draw.**

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 (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), 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 (620) 225-8888.