

For KCC Use: 9-10-07
 Effective Date: 9-10-07
 District # 2
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1011800
 OIL & GAS CONSERVATION DIVISION

awwo
 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: 09/21/2007
 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
 Seismic; # of Holes Disposal Wildcat Cable
 Other:

If OWWO: old well information as follows:
 Operator: Mack Oil Co.
 Well Name: Graber #1
 Original Completion Date: 07/21/64 Original Total Depth: 3956

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

OWWO

Spot Description: _____
 _____ NW SW Sec. 35 Twp. 27 S. R. 7 E W
 (Q/Q/Q) 1,980 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: Kingman
 Lease Name: Graber OWWO Well #: 1-35
 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: 1573 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: 180
 Depth to bottom of usable water: 180
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 279

Length of Conductor Pipe (if any):
 Projected Total Depth: 3956
 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: 9/4/07 Signature of Operator or Agent: Karen Houseberg Title: Tech Asst

For KCC Use ONLY
 API # 15 - 095-00478-00-01
 Conductor pipe required 0 feet
 Minimum surface pipe required 279 feet per ALT. I II
 Approved by: 9-5-07
 This authorization expires: 3-5-08
 (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: _____

RECEIVED
 KANSAS CORPORATION COMMISSION

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

SEP 05 2007

CONSERVATION DIVISION
 WICHITA, KS

35
 27
 7



1011800

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 - 095-00478-00-01
Operator: American Energies Corporation
Lease: Graber OWWO
Well Number: 1-35
Field: Wildcat

Location of Well: County: Kingman
1,980 feet from N / S Line of Section
660 feet from E / W Line of Section
Sec. 35 Twp. 27 S. R. 7 E W

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

Is Section: Regular or Irregular

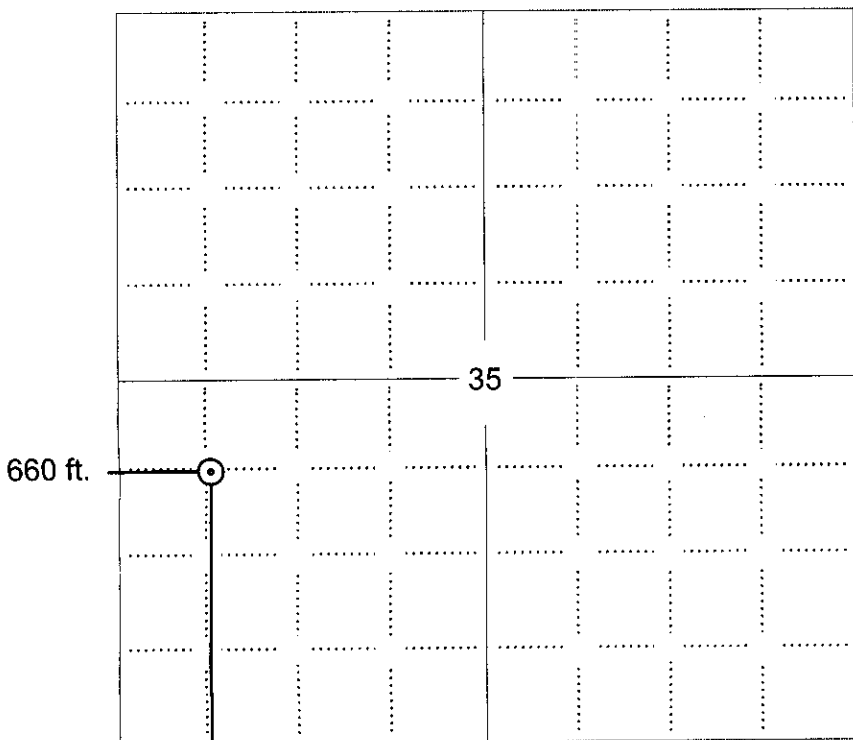
If Section is Irregular, locate well from nearest corner boundary.

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.)

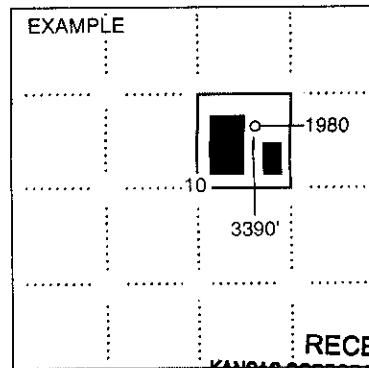


NOTE: In all cases locate the spot of the proposed drilling location.

1980 ft.

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).



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KANSAS CORPORATION COMMISSION

SEP 05 2007

CONSERVATION DIVISION
WICHITA, KS



KANSAS CORPORATION COMMISSION 1011800
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.: Graber OWWO 1-35 | | Pit Location (QQQQ): _____ NW _____ SW | |
| 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 _____ (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? Lined with clay and bentonite on bottom of pit | | | |
| Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) _____ Depth from ground level to deepest point: _____ (feet) _____ | | _____ N/A: Steel Pits _____ 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 locaiton | |
| Distance to nearest water well within one-mile of pit _____ feet Depth of water well _____ feet | | Depth to shallowest fresh water _____ 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 _____ 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. | | RECEIVED KANSAS CORPORATION COMMISSION | |
| Date: <u>9/4/07</u> | | Signature of Applicant or Agent: <u>Karen Houseberg</u> | |
| SEP 05 2007 CONSERVATION DIVISION WICHITA, KS | | | |
| KCC OFFICE USE ONLY | | | |
| Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/> | | | |
| Date Received: <u>9/5/07</u> Permit Number: _____ Permit Date: <u>9/5/07</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |

15-095-00478-00-01

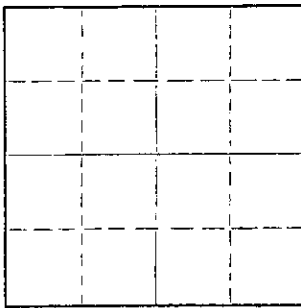
STATE OF KANSAS
STATE CORPORATION COMMISSION

WELL PLUGGING RECORD

Give All Information Completely
Make Required Affidavit
Mail or Deliver Report to:
Conservation Division
State Corporation Commission
211 No. Broadway
Wichita, Kansas

Kingman County, Sec. 35 Twp. 27S Rge. 7 (E) (W)
Location as "NE/CNW&SW" or footage from lines C NW SW
Lease Owner Mack Oil Company
Lease Name Graber Well No. 1
Office Address 812 Union Center Bldg., Wichita, Kansas
Character of Well (completed as Oil, Gas or Dry Hole) Dry Hole
Date well completed 7-14 19 64
Application for plugging filed 7-15 19 64
Application for plugging approved 7-15 19 64
Plugging commenced 7-15 19 64
Plugging completed 7-15 19 64
Reason for abandonment of well or producing formation Dry

NORTH



Locate well correctly on above
Section Plat

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 Mr. Archie Elving
Producing formation None Depth to top Bottom Total Depth of Well 3926' Feet
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

| FORMATION | CONTENT | FROM | TO | SIZE | PUT IN | PULLED OUT |
|-----------|---------|------|----|------|--------|------------|
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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.

Set 30 sx. @ 265'
10 sx. @ 40'
5 sx. @ Rat Hole
5 sx. @ Mouse Hole

RECEIVED
STATE CORPORATION COMMISSION

JUL 21 1964

CONSERVATION DIVISION
Wichita, Kansas

(If additional description is necessary, use BACK of this sheet)
Name of Plugging Contractor Mack Oil Company
Address Box 400, Duncan, Oklahoma

STATE OF Kansas, COUNTY OF Sedgwick, ss.
Robert L. Harris (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) Robert L. Harris

SUBSCRIBED AND SWORN TO before me this 15th day of July, 1964

My commission expires July 24, 1967
Notary Public.