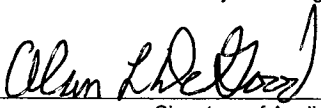


**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: American Energies Corporation		License Number: 5399
Operator Address: 155 North Market, Suite 710, Wichita, KS 67202		
Contact Person: Alan L. DeGood, President		Phone Number: (316) 263 - 5785
Lease Name & Well No.: Ruby Graber #1		Pit Location (QQQQ): <u>NE SW SW</u>
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small> 15-079-20405	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 70 (bbls)	Sec. 15 Twp. 22S R. 2W <input type="checkbox"/> East <input checked="" type="checkbox"/> West 940' ⁹⁹⁰ Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1220' ⁹⁹⁰ Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Harvey County
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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?
Pit dimensions (all but working pits): <u>8</u> Length (feet) <u>15</u> Width (feet) <u>N/A: Steel Pits</u> Depth from ground level to deepest point: <u>4</u> (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 <u>687</u> feet Depth of water well <u>70</u> ¹⁰² feet		Depth to shallowest fresh water <u>70</u> ²³ feet. Source of information: _____ measured <input checked="" type="checkbox"/> well owner _____ 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: <u>Plugging water and cement</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Allow pits to dry and backfill.</u> _____ 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
<u>6/30/08</u> Date	 Signature of Applicant or Agent	JUL 03 2008
KCC OFFICE USE ONLY		
Date Received: <u>7/3/08</u>	Permit Number: <u>15-079-20405-0000</u>	Permit Date: <u>7/1/08</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

* Public. Supply well - Sec. 10-22-2W SESWSW



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

July 11, 2008

American Energies Corp
155 N. Market Ste 710
Wichita, KS 67202

Re: Workover Pit Application
Ruby Graber Lease Well No. 1
SW/4 Sec. 15-22S-02W
Harvey County, Kansas

Dear Sir or Madam:

District staff has reviewed the above referenced location and has determined the pit must **be lined and fluids removed after completion**. A plastic liner with the minimum thickness of 6 mil is to be used. Integrity of the liner must be maintained at all times.

The fluids must be removed from the pit **within 24 hours** after workover operations have ceased. 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 (April 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: www.kcc.state.ks.us/conservation/forms.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes
Department of Environmental Protection and Remediation

Cc: district

CONSERVATION DIVISION