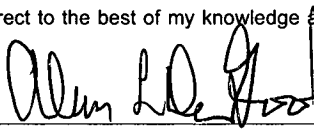


**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

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>Alan L. DeGood, President</b>		Phone Number: ( <b>316</b> ) <b>263 - 5785</b>
Lease Name & Well No.: <b>Giger D #</b>		Pit Location (QQQQ): <b>NW - NW - NW</b>
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> <b>15-017-20844</b>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>80</b> (bbls)	Sec. <b>20</b> Twp. <b>19s</b> R. <b>7E</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>330</b> Feet from <input checked="" type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>75</b> Feet from <input checked="" type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Chase</b> 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 type="checkbox"/> Yes <input checked="" 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): <b>6</b> Length (feet) <b>10</b> Width (feet)    _____ N/A: Steel Pits Depth from ground level to deepest point: <b>4</b> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>Natural Clays in soil.</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit <b>N/A</b> feet    Depth of water well <b>N/A</b> feet		Depth to shallowest fresh water <b>N/A</b> feet. Source of information: _____ measured    _____ well owner    _____ electric log <input checked="" type="checkbox"/> 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>Drilling mud and cuttings</b> Number of working pits to be utilized: <b>1</b> Abandonment procedure: <b>Allow pits 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>3/25/09</b> Date	 Signature of Applicant or Agent	<b>RECEIVED</b> <b>KANSAS CORPORATION COMMISSION</b> <b>MAR 27 2009</b> <b>CONSERVATION DIVISION</b> <b>WICHITA, KS</b>

<b>KCC OFFICE USE ONLY</b>			
Date Received: <b>3/27/09</b>	Permit Number: <b>15-017-20844-0000</b>	Permit Date: <b>3/27/09</b>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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



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

March 27, 2009

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

Re: Workover Pit Application  
Giger D Lease Well No. 1  
NW/4 Sec. 20-19S-07E  
Chase County, Kansas

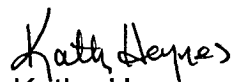
Dear Sir or Madam:

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 48 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](http://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