

**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.: Schroeder #2		Pit Location (QQQQ): C - N/2 - SE - NE
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> 15-115-30007	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 80 (bbls)	Sec. 22 Twp. 19S R. 1 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 1650' Feet from <input checked="" type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 660' Feet from <input checked="" type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Marion County
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?
Pit dimensions (all but working pits): 6 Length (feet) 10 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 4 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. Natural Clays in soil.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. RECEIVED KANSAS CORPORATION COMMISSION SEP 09 2008 CONSERVATION DIVISION WICHITA, KS
Distance to nearest water well within one-mile of pit 4685 feet Depth of water well N/A 81 feet		Depth to shallowest fresh water N/A 15 feet. Source of information: _____ measured _____ well owner _____ electric log _____ 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: Drilling mud and cuttings Number of working pits to be utilized: 1 Abandonment procedure: Allow pits 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. 9/8/08 _____ Date Signature of Applicant or Agent		

KCC OFFICE USE ONLY			
Date Received: 9/9/08	Permit Number: 15-115-30007	Permit Date: 7/11/08	Lease Inspection: <input type="checkbox"/> Yes <input checked="" 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*

August 27, 2008

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

RE: Verbal on Workover Pit
Schroeder Lease Well No. 2
NE/4 Sec. 22-19S-01E
Marion County, Kansas

Dear Sir or Madam:

According to our files we do not have an application for the above referenced workover pit, district staff gave verbal approval on 07/11/2008. According to K.A.R. 82-600(b) workover pits may be permitted through verbal authorization from the appropriate district office subject to the filing of a surface pond application within five days after the verbal authorization.

Please complete surface pond application form (CDP-1) and return to this office within 14 days of the date of this letter. If this pit has been closed please complete the closure of surface pit form (CDP-4). 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 please feel free to call me at (316) 337-6243.

Sincerely,

A handwritten signature in black ink that reads "Kathy Haynes".

Kathy Haynes
Environmental Protection and Remediation Department

**WORKOVER PIT APPLICATION
VERBAL AUTHORIZATION**

DATE: 7/11/2008 TIME: 3:00
OPERATOR: American Energy Services CONTACT PERSON: Doug Ward
LEASE NAME: Schroeder #12
C NE SE NE SEC. 22 TWP. 19 RANGE 1 EW COUNTY: Marion

CONSTRUCTION:
SIZE: WIDTH 6 LENGTH 10 DEPTH 4
ESTIMATED CAPACITY 80 BBLs

EST. DEPTH TO GROUNDWATER (if known): N/A
TYPE OF FLUID: Saltwater Workover Fluids
 Cement Drilling Mud/Cuttings

DOES OPERATOR PLAN TO LINE PIT: YES NO
ESTIMATED TIME BEFORE PIT WILL BE CLOSED: _____ Days
ANY KNOWN WATER WELLS WITHIN 1/4 MILE OF PIT: YES NO

K.C.C. INFORMATION: IS PIT IN SGA? YES NO

K.C.C. DISTRICT #2 RECOMMENDATION (Check One):

- 1. Authorization granted with no liner.
- 2. Authorization granted, if pit is lined.
- 3. Authorization granted, no liner necessary, but free fluids must be removed within _____ hours of completion of workover/plugging operations.
- 4. No verbal authorization will be given without on-site inspection.

*Remind operator that pit permit form must be filed within five (5) days after verbal authorization.

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 11 2008

CONSERVATION DIVISION
WICHITA, KS

RESULTS OF INSPECTION:

Greg Eves Agent Date 7/11/2008