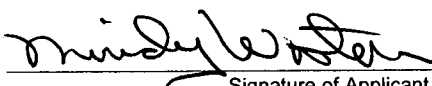


**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

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.: Vernon Becker #1		Pit Location (QQQQ): NW SW 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> 15-113-20798	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 70 (bbls)	Sec. 7 Twp. 20S R. 1W <input type="checkbox"/> East <input checked="" type="checkbox"/> West 3630 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2310 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section McPherson 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</u> : Steel Pits 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. Natural Clays in the Soil.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. RECEIVED KANSAS CORPORATION COMMISSION SEP 08 2008 CONSERVATION DIVISION WICHITA
Distance to nearest water well within one-mile of pit <u>2289</u> feet Depth of water well <u>70.45</u> feet	Depth to shallowest fresh water <u>70' 12"</u> 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>Drilling mud and water</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.		
<u>9/5/08</u> Date	 Signature of Applicant or Agent	

KCC OFFICE USE ONLY		RF48
Date Received: <u>9/5/08</u>	Permit Number: <u>15-113-20798-0000</u>	Permit Date: <u>9/10/08</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



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

September 10, 2008

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

RE: Workover Pit Applications
Vernon Becker Lease Well No. 1
NE/4 Sec. 07-20S-01W
McPherson County, Kansas

Dear Mr. DeGood:

District staff has reviewed the above referenced location and has determined that the fluids from the workover pit must be removed within 48 hours after the 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, 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 please feel free to contact the undersigned at the above address.

Sincerely,

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

Kathy Haynes
Department of Environmental Protection and Remediation

Cc: district

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

Form OGP-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.: Vernon Becker #1		Pit Location (OOOO): NW SW 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> 15-113-2079B	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: 70 (bbls)	Sec. 7 Twp. 20S R. 1W <input type="checkbox"/> East <input checked="" type="checkbox"/> West 3650 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2310 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section McPherson 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?
R		15

DISTRICT OFFICE. Please inspect pit. Operator will call when pits are dug. Thanks. Katry _____
Date

Date Inspected: 9-10-08 Agent: VIRGIL

_____ No inspection - Recommendation based on evaluation of soil maps/previous area inspections.

MARK ONE:

_____ Pit should be lined

_____ Pit should be lined with Bentonite haul fluids after salt section and within _____ hours of completion of drilling operations

_____ No liner needed, haul fluids after salt section and within _____ hours of completion of drilling operations

No liner needed, haul fluids within 48 hours of completion of drilling operations

_____ Steel Pits. NO EARTHEN PITS ALLOWED.

_____ Other (Explain): _____