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KCC DISTRICT #2

MAR 28 2007

WICHITA, KS

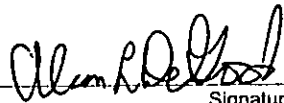
15-079-20582-0000

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.: Epp #1 | | Pit Location (QQQQ): NW SW SE/4 |
| 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> | Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 70 (bbls) | Sec. 15 Twp. 23 R. 3 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 990' ^{1025} Feet from <input checked="" type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2310' ^{2421} Feet from <input checked="" 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 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No | How is the pit lined if a plastic liner is not used? Pit is lined with plastic liner |
| Pit dimensions (all but working pits): 10 Length (feet) 5 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) | | |
| If the pit is lined give a brief description of the liner material, thickness and installation procedure. Dig pit and line with 6 mil plastic liner. | | Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Temporary pit |
| 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: _____ 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: Plugging water and cement Number of working pits to be utilized: 1 Abandonment procedure: Allow pits to dry, remove plastic 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. | | |
| _____ 3/27/07 Date | |  Signature of Applicant or Agent |

15-079-20582

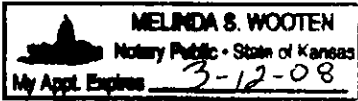

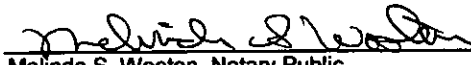
KCC OFFICE USE ONLY

Date Received: **3/30/07** Permit Number: **15-079-20582-0000** ^{**VERCS**} Permit Date: **3/27/07** Lease Inspection: Yes No

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

KANSAS CORPORATION COMMISSION
CONSERVATION DIVISION
130 S. MARKET - ROOM 2078
WICHITA, KS 67202

CLOSURE OF SURFACE POND

| | | | |
|---|--|---|--|
| OPERATOR NAME American Energies Corporation | | LICENSE NO. 5399 | |
| OPERATOR ADDRESS 155 North Market, Suite 710, Wichita, KS 67202 | | | |
| CONTACT PERSON Alan L. DeGood, President | | PHONE NUMBER (316) 263-5785 | |
| PERMIT NUMBER (API NO. IF APPLICABLE) 15-079-20582 <u>6000</u> | | LEASE NAME Epp #1 | |
| TYPE OF POND: <input type="checkbox"/> EMERGENCY PIT <input type="checkbox"/> TREATMENT PIT <input checked="" type="checkbox"/> WORKOVER PIT | | PIT LOCATION: NW SW SE SEC <u>15</u> TWP <u>23S</u> RNG <u>3W</u> E/W <u>1025</u> Ft. from N/S Line of Section. (circle one) <u>2421</u> Ft. from E/W Line of Sec. (circle one) <u>Harvey</u> County | |
| Date of Closure: <u>8/24/2007</u> | | RECEIVED KANSAS CORPORATION COMMISSION AUG 29 2007 CONSERVATION DIVISION WICHITA, KS | |
| Was an artificial liner used? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | | |
| If no, how were the sides and bottom sealed to prevent downward migration of the pit contents: | | | |
| <u>Dug pit and lined with 6 mil plastic liner.</u> | | | |
| Abandonment procedure of pit: <u>Liner removed, filled pit with natural clay and soil.</u> | | | |
| The undersigned hereby certifies that he/she is <u>Alan L. DeGood, President</u> for <u>American Energies Corporation</u> a duly authorized agent, that all information shown hereon is true and correct to the best of his knowledge and belief. | | | |
|  | |  <u>Alan L. DeGood, President</u> | |
| Subscribed and sworn to before me on this <u>27th</u> day of <u>August</u> 2007 | |  <u>Melinda S. Wooten, Notary Public</u> | |
| My Commission Expires: 3-12-08 | | | |