



KANSAS CORPORATION COMMISSION 1054250  
OIL & GAS CONSERVATION DIVISION

Form CDP-1  
May 2010  
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

|  |   |   |
|--|---|---|
| Operator Name: American Energies Corporation   |   | License Number: 5399  |
| Operator Address: 155 N MARKET STE 710   |   | WICHITA KS 67202  |
| Contact Person: Mindy Wooten   |   | Phone Number: 316-263-5785  |
| Lease Name & Well No.: SCHRAG B-3  |   | Pit Location (QQQQ):<br>N2 NE SE<br>Sec. 4 Twp. 22 R. 2 <input type="checkbox"/> East <input checked="" type="checkbox"/> West<br>2,310 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section<br>660 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section<br>Harvey County |
| Type of Pit:<br><input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit<br><input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit<br><input checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit<br><small>(If WP Supply API No. or Year Drilled)</small><br>15-079-20380-00-00 | Pit is:<br><input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing<br>If Existing, date constructed:<br>Pit capacity:<br>80 (bbls) |   |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |   | Chloride concentration: _____ mg/l<br><small>(For Emergency Pits and Settling Pits only)</small>  |
| Is the bottom below ground level?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   | Artificial Liner?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | How is the pit lined if a plastic liner is not used?<br>Natural clays in soil   |
| Pit dimensions (all but working pits): Length (feet) 6 Width (feet) 10<br>Depth from ground level to deepest point: 4 (feet)   |   | <input type="checkbox"/> N/A: Steel Pits<br><input type="checkbox"/> No Pit   |
| 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:<br>25 feet Depth of water well 61 feet  |   | Depth to shallowest fresh water 34 feet.<br>Source of information:<br><input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR  |
| <b>Emergency, Settling and Burn Pits ONLY:</b><br>Producing Formation: _____<br>Number of producing wells on lease: _____<br>Barrels of fluid produced daily: _____<br>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><br>Type of material utilized in drilling/workover: _____ Fluids used in plugging operations.<br>Number of working pits to be utilized: 1<br>Abandonment procedure: Allow pit to dry by natural evaporation.<br>Fill pit and restore to natural condition.<br>Drill pits must be closed within 365 days of spud date.  |
| Submitted Electronically   |   |   |

|                            |                                   |   |   |
|----------------------------|-----------------------------------|---|---|
| <b>KCC OFFICE USE ONLY</b> |                                   |   |   |
| Date Received: 04/19/2011  | Permit Number: 15-079-20380-00-00 | Permit Date: 04/21/2011   | Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
|                            |                                   | <input checked="" type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS |   |

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

Conservation Division  
Finney State Office Building  
130 S. Market, Rm. 2078  
Wichita, KS 67202-3802



phone: 316-337-6200  
fax: 316-337-6211  
<http://kcc.ks.gov/>

Thomas E. Wright, Chairman  
Ward Loyd, Commissioner

Corporation Commission

Sam Brownback, Governor

April 21, 2011

Mindy Wooten  
American Energies Corporation  
155 N MARKET STE 710  
WICHITA, KS 67202-1821

Re: Drilling Pit Application  
SCHRAG B-3  
Sec.04-22S-02W  
Harvey County, Kansas

Dear Mindy Wooten:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the Workover pit be lined. If a plastic liner is to be used it must have a minimum thickness of 10 mil. Integrity of the liner must be maintained at all times.

**NO completion fluids or non-exempt wastes shall be placed in the Workover pit.**

The free fluids in the Workover pit should be removed as soon as practical after drilling 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 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.