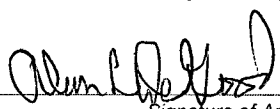


**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: American Energies Corporation		License Number: 5399 /
Operator Address: 155 North Market, Suite 710		
Contact Person: Mindy Wooten, Production Manager		Phone Number: 316-201-1134
Lease Name & Well No.: Waugh 3		Pit Location (QQQQ): C SE 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) 15-191-21562-0000</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: 80 (bbls)	Sec. 30 Twp. 31 R. 1 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2,970 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1,650 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Sumner 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? Natural clays in the soil.
Pit dimensions (all but working pits): <u>6</u> Length (feet) <u>10</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (feet) <input type="checkbox"/> No Pit		
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.
Distance to nearest water well within one-mile of pit: <u>N/A</u> feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input 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>Fluid from Plugging Operations</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>2/2/11</u> Date	 Signature of Applicant or Agent	RECEIVED FEB 03 2011 KCC WICHITA
KCC OFFICE USE ONLY		
Date Received: <u>2/3/11</u>	Permit Number: <u>15-191-21562-20000</u>	Permit Date: <u>2-4-11</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

February 7, 2011

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

Re: Workover Pit Application
Waugh #3
NE/4 Sec. 30-31S-01W
Sumner 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 within 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 after completion of workover operations. 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.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Haynes".

Kathy Haynes
Department of Environmental Protection and Remediation

Cc: district