15-113-25466-000/

KANSAS CORPORATION COMMISSION 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 North Market. Suite 710 Contact Person: Mindy Wooten, Production Manager Phone Number: 316-263-5785 Lease Name & Well No.: Vogts Fred B1 Pit Location (QQQQ): NW NE Type of Pit: Pit is: _{Twp.} 20 _{R.} 1 Emergency Pit **Burn Pit** X Proposed Existing East X West Settling Pit Drillina Pit 4,620 If Existing, date constructed: Feet from North / X South Line of Section X Workover Pit Haul-Off Pit 1,980 Feet from X East / West Line of Section (If WP Supply API No. or Year Drilled) Pit capacity: 15-113-20466-0001 80 McPherson (bbls) Is the pit located in a Sensitive Ground Water Area? Chloride concentration: (For Emergency Pits and Settling Pits only) Is the bottom below ground level? Artificial Liner? How is the pit lined if a plastic liner is not used? X Yes X Yes No Natural clay and soil. 10 Pit dimensions (all but working pits): Length (feet) Width (feet) N/A: Steel Pits Depth from ground level to deepest point: (feet) No Pit If the pit is lined give a brief description of the liner Describe procedures for periodic maintenance and determining material, thickness and installation procedure. liner integrity, including any special monitoring. 6 MIL Plastic Liner Visual monitoring for integrity. Distance to nearest water well within one-mile of pit: Depth to shallowest fresh water Source of information: measured well owner electric log X KDWR feet Depth of water well feet **Emergency, Settling and Burn Pits ONLY:** Drilling, Workover and Haul-Off Pits ONLY: Fluid from Plugging Operations. Producing Formation: Type of material utilized in drilling/workover: Number of producing wells on lease: Number of working pits to be utilized: Remove fluids and allow location to dry. Barrels of fluid produced daily: Abandonment procedure: backfill and return to original condition. Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill pits must be closed within 365 days of spud date. RECEIVED I hereby certify that the above statements are true and correct to the best of my knowledge and belief. FEB 2 4 2011 KCC WICHITA KCC OFFICE USE ONLY Liner Steel Pit RFAS Date Received: 2-24-11 Permit Number: 15-1113 - 204 (01000) Permit Date: 3-1-111 Lease Inspection:

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

March 1, 2011

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

Re: Workover Pit Application Vogts Fred B Well No. 1 NE/4 Sec. 09-20S-01W McPherson County, Kansas

Dear Sir or Madam:

District staff has reviewed the above referenced location and has determined the pit must be lined. The plastic liner must have 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 workover pit within 72 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 or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes

Department of Environmental Protection and Remediation

Cc: district