

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1059086

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.: FRANCISCO 1			Pit Location (QQQQ):	
Type of Pit: Emergency Pit Burn Pit	Pit is:		Sec. 28 Twp. 19 R. 6 East X West	
Settling Pit Drilling Pit	Drilling Pit If Existing, date constructed: Haul-Off Pit		660 Feet from North / South Line of Section	
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) 15-159-22481-00-00			660 Feet from East / West Line of Section Rice County	
Is the pit located in a Sensitive Ground Water Area? X Yes No		Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)		
Is the bottom below ground level? XYes No	Artificial Liner? X Yes No		How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits): 6 Length (feet) 10 Width (feet) N/A: Steel Pits				
Depth from ground level to deepest point:				
			edures for periodic maintenance and determining including any special monitoring.	
6 ML plastic liner.		Visual monitoring for integrity of liner.		
Distance to nearest water well within one-mile of pit:		Depth to shallowest fresh water 16 feet. Source of information:		
		measured		
Emergency, Settling and Burn Pits ONLY:		Drilling, Workover and Haul-Off Pits ONLY:		
Producing Formation:		Type of material utilized in drilling/workover:		
Number of producing wells on lease:		Number of wor	rking pits to be utilized:	
Barrels of fluid produced daily:		Abandonment	Remove fluids, haul to disposal well, backfill pit and restore to natural 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.		
Submitted Electronically				
KCC OFFICE USE ONLY X Liner Steel Pit RFAC RFAS				
Date Received: 07/06/2011 Permit Number: 15-159-22481-00-00 Permit Date: 07/06/2011 Lease Inspection: X Yes 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/

Sam Brownback, Governor

Mark Sievers, Chairman Ward Loyd, Commissioner Thomas E. Wright, Commissioner

July 06, 2011

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

Re: Drilling Pit Application FRANCISCO 1 Sec.28-19S-06W Rice 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.