

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1059500

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: 316-201-1134 |
| Lease Name & Well No.: ADOLPH (STORAGE) 5 | | | Pit Location (QQQQ): |
| Type of Pit: | Pit is: | | <u>NW</u> <u>NE</u> |
| Emergency Pit Burn Pit | ▼ Proposed | | Sec. 16 Twp. 20 R. 15 East X West |
| Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) 15-009-16560-00-00 | If Existing, date constructed: | | 660 Feet from X North / South Line of Section |
| | Pit capacity: | (bbls) | |
| Is the pit located in a Sensitive Ground Water Area? Yes X No | | Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) | |
| Is the bottom below ground level? 区 Yes | Artificial Liner? | | How is the pit lined if a plastic liner is not used? Natural clays in the soil. |
| Pit dimensions (all but working pits): 6 Length (feet) 10 Width (feet) N/A: Steel Pits | | | Width (feet) N/A: Steel Pits |
| Depth from ground level to deepest point: 4 (feet) No Pit | | | |
| · | | | |
| Distance to nearest water well within one-mile of pit: Depth to shall Source of info | | west fresh water 57 feet. | |
| | | measured | |
| Emergency, Settling and Burn Pits ONLY: | | Drilling, Work | over and Haul-Off Pits ONLY: |
| Producing Formation: Type of n | | Type of materi | al utilized in drilling/workover: |
| l | | | rking pits to be utilized: 1 Allow location to dry completely, |
| Barrels of fluid produced daily: Aba | | Abandonment | procedure: backfill 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 Liner Steel Pit X RFAC RFAS | | | |
| Date Received: 07/12/2011 Permit Number: 15-009-16560-00-00 Permit Date: 07/13/2011 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 13, 2011

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

Re: Drilling Pit Application ADOLPH (STORAGE) 5 Sec.16-20S-15W Barton County, Kansas

Dear Mindy Wooten:

District staff has inspected the above referenced 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 with bentonite or native clay, constructed <u>without slots</u>, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the Workover pit after drilling operations have ceased.

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

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 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 (785) 625-0550.