

FOR KCC USE:

CORRECTION

FORM C-1 7/96

EFFECTIVE DATE: 7-31-96

DISTRICT # 1
SEA7 Yes No

State of Kansas

NOTICE OF INTENTION TO DRILL

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date: 7 30 96
month day year

Spot NE SE East
Sec. 22 Twp 17 S. Rg. 21. X West

OPERATOR: License # 5399
Name: American Energies Corporation
Address: 155 North Market, Suite 710
City/State/Zip: Wichita, Kansas 67202
Contact Person: Alan L. DeGood
Phone: 316-263-5785

1980' feet from South North line of Section
660' feet from East West line of Section
IS SECTION X REGULAR IRREGULAR
(NOTE: Locate well on the Section Plat on Reverse Side)

CONTRACTOR: License # 6454
Name: Cheyenne Well Service

County: Ness (Elmore #1)
Lease Name: Chuck OWVO Well #: 1
Field Name: Start NW

Is this a Prorated/Spaced Field? yes X no
Target Formation(s): Cherokee Sand
Nearest lease or unit boundary: 660'

Well Drilled For: Well Class: Type Equipment:
X Oil Enh Rec Infield Mud Rotary
Gas Storage Pool Ext. Air Rotary
X OWVO Disposal X Wildcat X Cable
Seismic: # of Holes Other

Ground Surface Elevation: 2177 feet MSL
Water well within one-quarter mile: yes X no
Public water supply well within one mile: yes X no

If OWVO, old well information as follows:
Operator: Chief Drilling
Well Name: Elmore #1
Comp. Date: 7-10-67 Old Total Depth 4149

Depth to bottom of fresh water: 180'
Depth to bottom of usable water: 520'
Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe ~~Alternate~~ set: 402

Length of Conductor pipe required: 4149
Projected Total Depth: 4149
Formation at Total Depth: Mississippi

Directional, Deviated or Horizontal wellbore? yes X no
If yes, true vertical depth:
Bottom Hole Location:

Water Source for Drilling Operations:
well X farm pond other
DWR Permit #:
Will Cores Be Taken? yes X no
If yes, proposed zone:

AFFIDAVIT

RECEIVED STATE CORPORATION COMMISSION
JUL 24 1996
07-24-1996

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.
It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. IF AN ALTERNATE II COMPLETION, PRODUCTION PIPE SHALL BE CEMENTED FROM BELOW ANY USABLE WATER TO SURFACE WITHIN 120 DAYS OF SPUD DATE. IN ALL CASES, NOTIFY DISTRICT OFFICE PRIOR TO ANY CEMENTING.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.
Date: 7-22-96 Signature of Operator or Agent: Alan L. DeGood Title: President

* API # WAS: 15-135-010170000 *

FOR KCC USE:
API # 15- 135-200360001
Conductor pipe required NONE feet
Minimum surface pipe required 402 feet per Alt. X(2)
Approved by: JK 7-26-96 / JK 7-30-96
This authorization expires: 1-26-97
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

REMEMBER TO:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.

Mail to: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

18
17
2100

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API NO. 15- _____
 OPERATOR American Energies Corporation
 LEASE Chuck OWWO
 WELL NUMBER #1
 FIELD Start NW

LOCATION OF WELL: COUNTY Ness
 1980' _____ feet from south/north line of section
 660' _____ feet from east/west line of section
 SECTION 2 TWP 17 RG 21 W

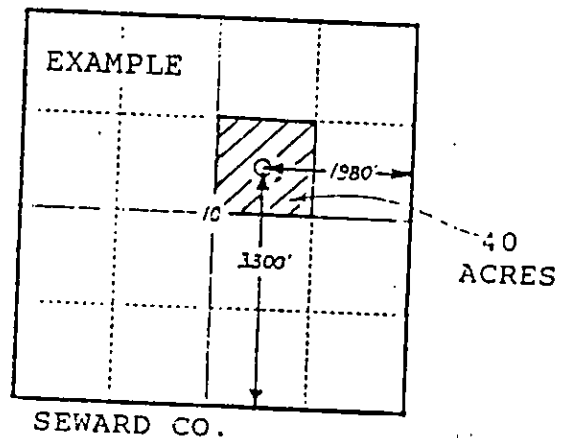
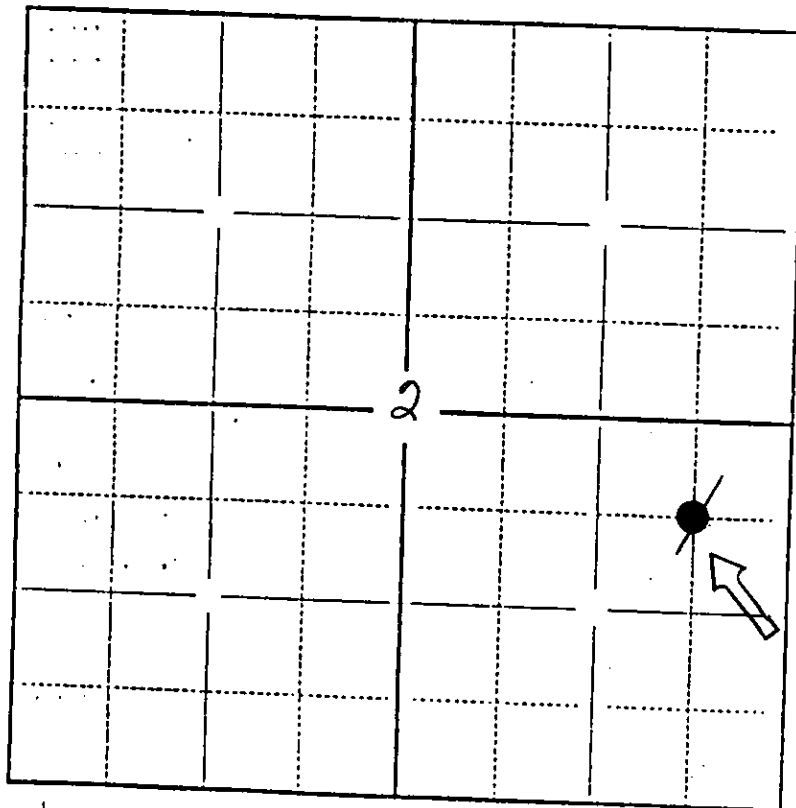
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____ NE _____ SE

IS SECTION X REGULAR or _____ IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

Section corner used: _____ NE _____ NW _____ SE _____ SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)



In plotting the proposed location of the well, you must show:

- 1) The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.;
- 2) the distance of the proposed drilling location from the section's south/north and east/west lines; and
- 3) the distance to the nearest lease or unit boundary line.