

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 N MARKET STE 710 **WICHITA** KS 67202 Contact Person: Mindy Wooten 316-201-1134 Phone Number: Lease Name & Well No.: SCULLY H 2 Pit Location (QQQQ): NW SW NW NW Type of Pit: Pit is: Sec. 35 Twp. 18 R. 2 X East West Emergency Pit Burn Pit X Proposed Existing Settling Pit Drilling Pit If Existing, date constructed: 800 Feet from 💢 North / 🦳 South Line of Section X Workover Pit Haul-Off Pit 50 Feet from East / X West Line of Section (If WP Supply API No. or Year Drilled) Pit capacity: 15-115-21331-00-00 80 Marion (bbls) 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? **Artificial Liner?** How is the pit lined if a plastic liner is not used? X Yes No X Yes No 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 ML plastic liner. Visual monitoring of liner integrity. 19 Distance to nearest water well within one-mile of pit: Depth to shallowest fresh water_ feet. Source of information: 1564 measured well owner electric log X KDWR Depth of water well _ feet Emergency, Settling and Burn Pits ONLY: Drilling, Workover and Haul-Off Pits ONLY: Material and fluids used in plugging procedure Producing Formation: _ Type of material utilized in drilling/workover: Number of working pits to be utilized: Number of producing wells on lease: _ Remove all fluids and haul to approved location. Barrels of fluid produced daily: ___ Remove liner, 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 Steel Pit X RFAC RFAS X Liner 01/09/2012 15-115-21331-00-00 01/04/2012 Lease Inspection: X Yes No Permit Date: Date Received: Permit Number:

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

January 09, 2012

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

Re: Drilling Pit Application SCULLY H 2 Sec.35-18S-02E Marion 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.