


**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: American Energies Corporation		License Number: 5399
Operator Address: 155 North Market, Suite 710, Wichita, KS 67202		
Contact Person: Alan L. DeGood, President		Phone Number: (316) 263 -5785
Lease Name & Well No.: Key 1-2		Pit Location (QQQQ): Sw - NW - NE
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: 800 (bbls)	Sec. 2 Twp. 27S R. 11W <input type="checkbox"/> East <input checked="" type="checkbox"/> West 940' FNL Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2790' FWL Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Pratt County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Natural clay or Bentonite
Pit dimensions (all but working pits): 50 Length (feet) 75 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 3 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Pit to be sealed with natural clay or Bentonite. Fluids removed after salt zone and completion.
Distance to nearest water well within one-mile of pit 2351 2095 feet Depth of water well 80 70 feet		Depth to shallowest fresh water 17 feet. Source of information: _____ measured well owner _____ electric log <input checked="" type="checkbox"/> KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Chemical mud Number of working pits to be utilized: 1 Abandonment procedure: Allow pits to dry and backfill. Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
<u>2/5/07</u> Date	 Signature of Applicant or Agent	RECEIVED KANSAS CORPORATION COMMISSION FEB 06 2007 CONSERVATION DIVISION WICHITA, KS
KCC OFFICE USE ONLY		
Date Received: 2/6/07	Permit Number: 15-151-22256	Permit Date: 2/6/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

15-151-22256-00-00

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

February 6, 2007

Mr. Alan L. DeGood
American Energies Corporation
155 North Market Ste 710
Wichita, KS 67202

RE: Haul-Off Pit Application
Key Lease Well No. 1-2
NE/4 Sec. 02-27S-11W
Pratt County, Kansas

Dear Mr. DeGood:

District staff has inspected the above referenced location and has determined that the haul-off pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and lined with **native clay or bentonite**. The free fluids must be removed. The fluids are to be removed from the haul-off pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the haul-off pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

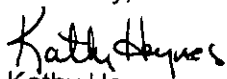
If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), 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.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,


Kathy Haynes

Environmental Protection and Remediation Department

cc: S Durrant

District #1

Kansas Corporation Commission Reserve Pit Inspection Report

Dodge City

Operator: American Energies Contractor: Pickeral Drlys.
 Well Name: Key 1-2 County: Pratt

Location: NE SE NW Sec. 2 Twp. 27 Rge. 11 W

Footage: 1650 FROM N Line
2310 FROM E Line

Spud Date: 1-15-07 Gave to KH
 Date Called Out: 12-27-06
 Date Checked: 12-27-06 Haul off pit on 12-27-06
 Gave to K.H. 2-6-06.

Distance to nearest water well? 2300-2400'
 Depth to Water? 7 1/2'

Recommendations: Haul off pit - NE of stake -
6' higher than stake - 37.72998^{OW} 98.49132^W
939' FNL + 2793 FWL

Normal Procedure
 Remove Free Fluid After salt & open completion / seal pit w/ Native clay or bentonite
 Line Pit and Remove Free Fluid
 Use Steel Pits At Stake

Comments: Calculated GPS - 37.72803^{OW} 98.49299^{OW}

NOT Staked - Auger hole off of
calculated GPS coord. ✓ water table
found staked in immediate vicinity of
✓ on 12-27-06.

RECEIVED
 KANSAS CORPORATION COMMISSION
 FEB 15 2007
 CONSERVATION DIVISION
 WICHITA, KS

Depth	Lithology
1	TOP Soil
2	Fine sand w/ small gravel
3	
4	Sandy clay
5	med. sand w/ clay
6	Stringers
7	
8	med sand & gravel
9	
10	
11	
12	

• Domestic	
	⊙ Haul off pit
	□
• Domestic	

Report By: Steve Pfeiffer