

For KCC Use:
 Effective Date: 6-14-04
 District #: 2
 S G A ? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form C-1
 September 1999
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date June 8 2004
month day year

Spot NW - SE - NW Sec 35 Twp. 22 S. R. 2 East West
1650' fml feet from S N (circle one) Line of Section
1650' fwl feet from E N (circle one) Line of Section
 Is SECTION XX Regular Irregular?

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

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MAY 10 2004

KCC WICHITA

CONTRACTOR: License# 5892
 Name: Berentz Drilling Company, Inc.

(Note: Locate well on the Section Plat on reverse side)
 County: Harvey

Lease Name: Bonjour Bate Well #: 3
 Field Name: Harvey Halstead

Is this a Prorated / Spaced Field? Yes No
 Target Information(s): Hunton, Viola, Simpson

Nearest Lease or unit boundary: 990'
 Ground Surface Elevation: 1466' Estimated feet MSL

Water well within Dne-quarter mile: Yes No
 Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 100' 150'
 Depth to bottom of usable water: 100' 180'

Surface Pipe by Alternate: XX 1 2
 Length of Surface Pipe Planned to be set: 250'

Length of Conductor Pipe required: None
 Projected Total Depth: 3000'

Producing Formation Target: Mississippian, Hunton, Simpson
 Water Source for Drilling Operations: Well Farm Pond Other XX

DWR Permit #: _____
 (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 If Yes, proposed zone: _____

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes _____	<input type="checkbox"/> Infield	
<input type="checkbox"/> Other _____	<input checked="" type="checkbox"/> Pool Ext.	
	<input type="checkbox"/> Wildcat	
	<input type="checkbox"/> Other	

If OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

AFFIDAVIT

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 11 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: 5/6/04 Signature of Operator or Agent: Alan L. DeGood Title: President

For KCC Use ONLY
 API # 15 - 079- 20661.00-00
 Conductor pipe required none feet
 Minimum surface pipe required 200 feet per Alt 1
 Approved by: RJPG-9.04
 This authorization expires: 12-9-04
 (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.

35
22
22

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

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 and 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: Bonjour Bate
 Well Number: 3
 Field: Halstead
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ - _____ - _____

Location of Well: County: Harvey
1650' fnl feet from S (N) (circle one) Line of Section
1650' fwl feet from E (W) (circle one) Line of Section
 Sec 35 Twp 22 S. R 2 East West

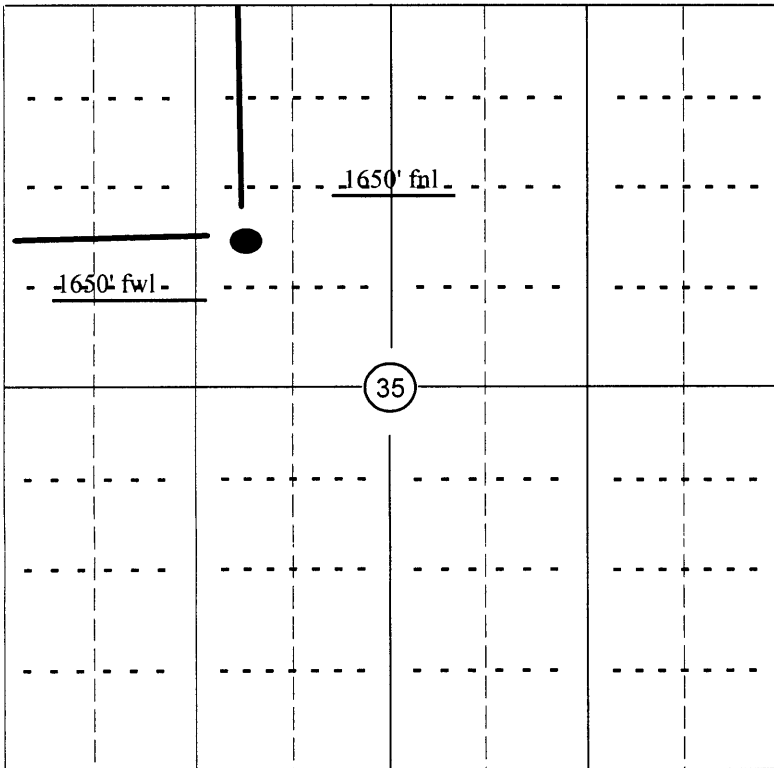
Is Section XX Regular or _____ Irregular

If Section is Irregular, locate well from nearest corner boundary.

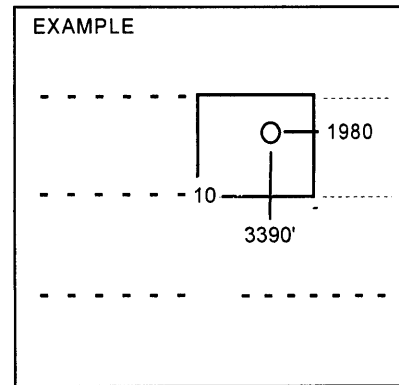
Section corner used: ___ NE ___ N W - S E ___ SW

PLAT

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



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 MAY 10 2004
 KCC WICHITA**



SEWARDCO.

NOTE., In all cases locate the spot of the proposed drilling location.

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.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

JOHN WINE, COMMISSIONER

ROBERT E. KREHBIEL, COMMISSIONER

June 8, 2004

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

Re: Drilling Pit Application
Bonjour Bate Lease Well No. 3
NW/4 Sec. 35-22S-02W
Harvey County, Kansas

Dear Mr. DeGood:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours after drilling operations have ceased.

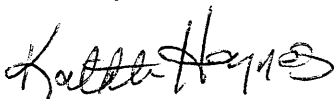
If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 337-6231 when the fluids have been removed. Also, please file the enclosed CDP-5, Surface Pond Waste Transfer, within 30 days of fluid removal.

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,



Kathleen Haynes
Environmental Protection and Remediation Department

cc: Doug Louis