

For KCC Use: 6-27-04  
Effective Date: 2  
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 18 2004  
month day year

Spot 70' S  East  West  
W2 - W2 - SW Sec 33 Twp. 20 S. R. 1  
1250' fsl feet from 1 (circle one) Line of Section  
330' fwl feet from 1 (circle one) Line of Section  
Is SECTION XX Regular  Irregular

OPERATOR: License# 5399 6130105  
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

(Note: Locate well on the Section Plat on reverse side)  
County: McPherson  
Lease Name: Otte A Well #: 1  
Field Name: McPherson

CONTRACTOR: License# 5892 6130104  
Name: Berentz Drilling Company, Inc.

Is this a Prorated / Spaced Field?  Yes  No  
Target Information(s): Osage

Well Drilled For:  Oil  Enh Rec  Infield  Mud Rotary  
 Gas  Storage  Pool Ext.  Air Rotary  
 OWWO  Disposal  Wildcat  Cable  
 Seismic; # of Holes  Other  
 Other

Nearest Lease or unit boundary: 330  
Ground Surface Elevation: 1514' feet MSL  
Water well within One-quarter mile:  Yes  No  
Public water supply well within one mile:  Yes  No

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

Depth to bottom of fresh water: 150  
Depth to bottom of usable water: 180  
Surface Pipe by Alternate: XX 1 \_\_\_\_\_  
Length of Surface Pipe Planned to be set: 200'  
Length of Conductor Pipe required: None  
Projected Total Depth: 3020"  
Producing Formation Target: Osage

Directional, Deviated or Horizontal wellbore?  Yes  No  
If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: RECEIVED  
KCC DKT #: \_\_\_\_\_

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: \_\_\_\_\_

JUN 14 2004

CONSERVATION DIVISION AFFIDAVIT  
WICHITA, KS

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: 6/8/04 Signature of Operator or Agent: Karen Houseberg Title: President

For KCC Use ONLY  
API # 15 - 113- 21293-00-00  
Conductor pipe required NONE feet  
Minimum surface pipe required 200 feet per Alt 1  
Approved by: RJP 6-22-04  
This authorization expires: 12-22-04  
(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.

53  
20  
14

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: Otte A  
 Well Number: 1  
 Field: Graber North  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

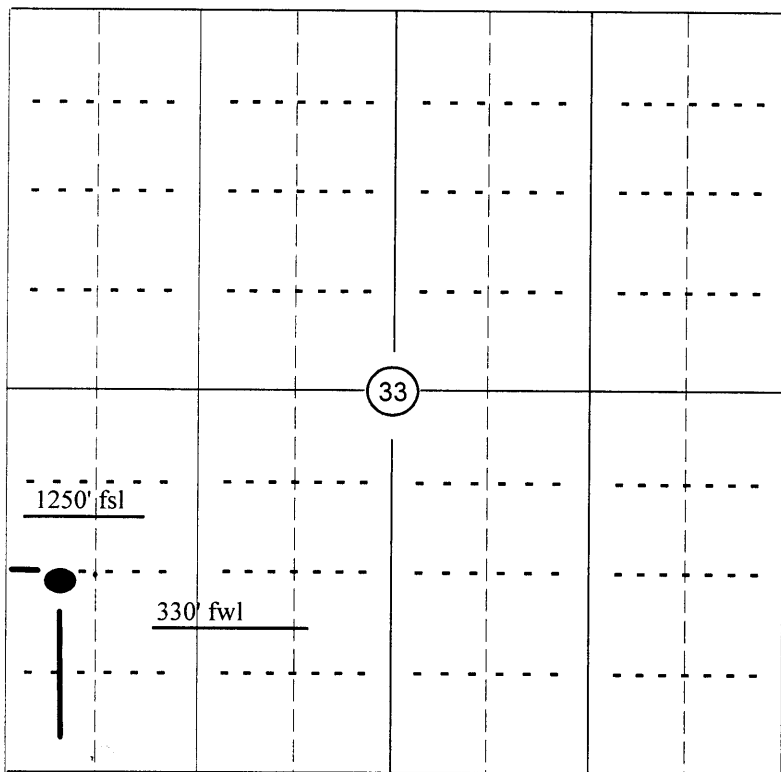
Location of Well: County: McPherson  
1250' fsl feet from S / N (circle one) Line of Section  
330' fwl feet from E / W (circle one) Line of Section  
 Sec 33 Twp 20 S. R 1  East  West

Is Section XX Regular or \_\_\_\_\_ Irregular

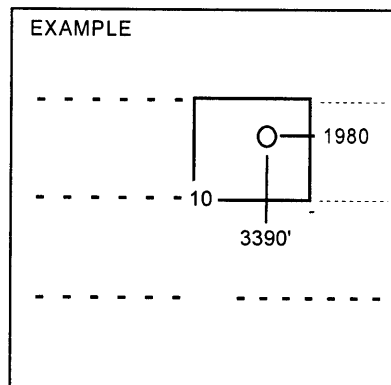
**If Section is Irregular, locate well from nearest corner boundary.**  
 Section corner used: \_\_\_ NE \_\_\_ N W - S E \_\_\_ SW

**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.)*



RECEIVED  
 KANSAS CORPORATION COMMISSION  
 JUN 14 2004  
 CONSERVATION DIVISION  
 WICHITA, KS



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 22, 2004

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

Re: Drilling Pit Application  
Otte A Lease Well No. 1  
SW/4 Sec. 33-20S-01W  
McPherson County, Kansas

Dear Mr. DeGood:

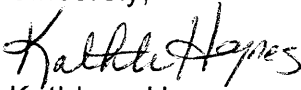
District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve 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.

The free fluids in the reserve pit should be removed within 72 hours after drilling operations have ceased. 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 form, 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: D Louis