For KCC Use:  

Effective Date:  

AUG 03 2005  

D.W.  

Form must be Typed  

KANSAS CORPORATION COMMISSION  

OIL & GAS CONSERVATION DIVISION  

NOTICE OF INTENT TO DRILL  

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

August 15, 2005  

OPERATOR:  

License No. 3396  

Name: American Energies Corporation  

Address: 155 North Market, Suite 710  

City/State/Zip: Wichita, KS 67202  

Contact Person: Karen Hausenberg  

Phone: 316-357-5785  

CONTRACTOR: License No. 32701  

Name: C & G Drilling Company  

Spot Drilled For:  

Well Class: Type of Equipment:  

Water Well  

Well:  

Drilled  

Gas  

Oil  

Storage  

Water  

DWO  

Disposal  

Wildcat  

Other:  

If OWWO: old well information as follows:  

Well Name:  

Original Completion Date:  

Original Total Depth:  

Directions, Devoted or Horizontal wellbore?  

Yes  

No  

If Yes, true vertical depth:  

Bottom Hole Location:  

KCC Dkt #:  

County:  

Hans  

Lease Name:  

Krautbahn  

Well #:  

Firm Name:  

Yes  

No  

Target Formation: Mississippi, Osage  

Nearest Lesser or unit boundary: 437  

Ground Surface Elevation:  

Feet MSL  

Water that within one-quarter mile:  

Public water supply well within one mile:  

Surface Pipe by Alternate:  

Length of Surface Pipe Planned to be:  

Length of Conductor Pipe Required:  

Projected Total Depth: 3000  

Formation at Total Depth:  

Water Source for Drilling Operations:  

WELL Farm Pond  

Other:  

DWR Permit #:  

Well Completion:  

Will Crows be taken?  

Yes  

No  

If Yes, proposed zone:  

AFFIDAVIT  

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 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 cradling of 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 alternative II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1380 with C, which applies to the KCC District 5 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. 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:  

Signature of Operator or Agent:  

Title: Geo Asst.  

Mail to: KCC - Conservation Division, 120 S. Market - Room 2076, Wichita, Kansas 67202  

For KCC Use ONLY  

API #: 029-29467-00-00  

Conductor pipe required:  

Maximum surface pipe required:  

Feet  

Feet per An  

Approved by:  

This authorization void if drilling not started within 90 days of attach date.  

Spud date:  

Agent:  

29  

22  

21  

20  

2001  

(X)  

(3-30-06)  

2001  

IN  

(attach date)  

Mail to: KCC - Conservation Division, 120 S. Market - Room 2076, Wichita, Kansas 67202  

Received  

Aug 03 2005  

Form C-1  

December 2003  

Form must be Typed  

Any blanks must be filled.
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: Kaufman B
Well Number: 2
Field: 

Location of Well: County: Haney
2210’ bal. feet from line of section
2200’ bal. feet from line of section
Sec.: 26 Twp.: 22 R. 2
Is Section: Regular or Irregular

Number of Acres attributable to well: 0
QTR / QTR / QTR or corner: NE, NW, SW

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.)

Example

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. (CD-7 for oil wells; CD-6 for gas wells).
September 30, 2005

Ms. Karen Houseberg
American Energies Corporation
155 No. Market Ste 710
Wichita, KS 67202

Re: Drilling Pit Application
Kaufman B Lease Well No. 2
SW/4 Sec. 26-22S-02W
Harvey County, Kansas

Dear Ms. Houseberg:

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) 630-4000 when the fluids have been removed. Please file form CDP-5, 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: Doug Louis

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us