



American Energies
Corporation

155 N. Market, Suite 710, Wichita, KS 67202
316-263-5785, 316-263-1851 fax

DRILLING AND COMPLETION REPORT

ARNDT #2-34

AEC'S LEASE #: 10691021.002
LOCATION: W/2 NW SW Section 34-T3S-R23W
COUNTY: Norton
API: 15-137-20582
CONTRACTOR: W W Drilling, LLC
GEOLOGIST: David Goldak

SURFACE CASING: 8-5/8" 23#, set @ 344'
PRODUCTION CASING: 4 1/2" 11.6# set @ 3808'
RTD: 3816'
G.L.: 2444 **K.B.:** 2149'
SPUD DATE: 9/3/10
COMPLETION DATE: 9/23/11
REFERENCE WELLS:

NOTIFY: **American Energies Corp**
Alan L. DeGood Family Trust
Buffalo Creek Oil & Gas, LLC
Debbie Schmitt, LLC
Dianne Y. DeGood Family Trust
Great Plains Energy, INC.
Husker Logic, LLC
Hyde Resources, Inc.
Mica Energy Corp
RT & M Investments

#1: AEC's Arndt #1-34 – NW NE SW SW 34-3S-23W
#2: JSF's Lebeau #1 – SE SE NE 33-3S-23W

FORMATION:	SAMPLE LOG:				ELECTRIC LOG TOPS:			
		COMPARISON:				COMPARISON:		
Anhydrite	2020	+426	+1	+6	2020	+426	+1	+6
Base Anhydrite	2049	+397	+2	+7	2049	+397	+2	+7
Topeka	3286	-840	Flat	+9	3286	-840	Flat	+9
Heebner	3486	-1040	Flat	+6	3486	-1040	Flat	+6
Toronto	3512	-1066	+2	+9	3512	-1066	+2	+9
Lansing	3526	-1080	+3	+9	3526	-1080	+3	+9
Base/Kansas City	3708	-1262	+3	+9	3708	-1262	+3	+9
Gorham Sand	3751	-1305	+3	+7	3752	-1306	+2	+6
Granite wash	3760	-1314	+5	+17	3761	-1315	+4	+16
Total Depth	3816	-1370			3818	-1372		

- 9/3/11 MIRU, W W Drilling, LLC, Spud well on 9/3/11 at 1:15 p.m. Drilled 12 1/2" hole, set 8 jts of 8 5/8" 20# surface casing, tallied 337.94', set @ 344'. Allied Cementing cemented with 200 sx Common, 3% cc, 2% gel. Cement did circulate.
- 9/4/11 At 787' and drilling ahead.
- 9/5/11 At 2650' and drilling ahead.
- 9/6/11 At 3358' and drilling ahead.
- 9/6/11 4:45 p.m. preparing to run DST #1 – test interval 3483 – 3580 (Toronto and Lansing C zones).
- 9/7/11 Tripping in hole at 3580' following DST #1. Results DST #1: 3484 – 3580, Times: 30-60-45-90, IF – Good blow, BOB in 15 minutes. FF – Good blow BOB in 20 minutes. Recovered 372' TF (62' GO, 5% G, 95% O), 124' GMCO (5% G, 60% O, 35% M), 186' GOWCM (10% G, 25% O, 20% W, 45% M). Oil Gravity is 27. IHP: 1794, IFP: 26 – 111, ISIP: 1163, FFP: 118 – 179, FSIP: 1146, FHP: 1678. Temperature: 99 degrees.
- 9/8/11 At 3810' at 7:00 a.m. RTD: 3816. Circulating hole clean to come out to log. Results DST #2: 3706 – 3764 Gorham Sand, Times: 30-30-30-30, Recovered 20' OspM. 1st opening: Blow to surface, died in 10 minutes, 2nd opening – no blow, flushed tool, did not improve. IFP: 18-31, FFP: 34-40, ISIP: 850, FSIP: 731, IHP: 1915, FHP: 1856. Tool slid 20' did not open during slide.
- 9/8/11 2:00 p.m. Reviewed logs with Geologist, Dave Goldak, geological tops and log tops are the same. The Lansing B zone has approximately 6' of porosity and the Lansing C zone has approximately 3' of porosity which were covered in DST #1. The Lansing K zone had 2-3' of porosity with an oil show that we will need to test, and finally, the Gorham Sand interval looks to be tight on the log, however, we may want to perforate this zone before coming up to complete the Lansing zones. We will be setting 4 1/2" production casing to TD at 3816'. We will contact you Monday or Tuesday of next week after you had a chance to review the logs, geological report and Drill Stem test data to see if you wish to continue participation in the completion of the Arndt 2-34. We should have logs to e-mail later this afternoon.

9/8/11 Production Casing information: **Ran in 88 jts of new 4 1/2" 11.6# production casing to 3808'. Had 14' shoe jt and centralizers at 3794, 3714, 3626, 3538, 3450 and 1982. Ran in 2 cement baskets at 3794 and 2070 and DV tool at 2026'. Cemented lower string with 175 sx EA-2 cement and DV took with 300 sx and cement did circulate to surface. Last plug down at 1:15 a.m. on 9/9/11. Swift Cementing, ticket 21091.**

COMPLETION INFORMATION AS FOLLOWS:

9/23/11 MIRU – Express Well Service. Ran in 4 drill collars and 2 3/8" tubing to 2026' and started drilling DV tool. Drilled up DV tool and took bit to 3790' and circulated clean. TOH with tubing and bit. SION

9/26/11 Log Tech of Kansas ran Cement Bond Log. Reviewed log. Top of cement at 3350'. Swabbing down, ^{NOT on a} **perforated from 3678 – 3682' with 4 SPF.** Tripped in with packer and tubing to 3670', started swabbing. At 3 pulls down to 2900'. Set packer made 2 pulls and dry. Rigged up Swift Acid – spotted acid over perms treated with 750 gallons of 15% mud acid – started at 500# - started feeding 1/2 BPM @ 350# @ 5 bbls – down pressured to 200# - took rig up to 1 BPM @ 400# - last 4 bbls – took rate up to 1 1/4 BPM at 500# ISIP: 350# after 5 minutes – 100#, vacuum in 10 minutes. Total load recovered – 32 bbls. Went in with swab and fluid was 200' down.

Time	Recovery	Content and Fluid level
1 st hour	30 bbls fluid	show of oil -fluid at 2200' down made 2 more pulls and made 10 bbls fluid with show of oil.

Total recovery of fluid for the day was 40 bbls. Fluid @ 2500' down. SION

9/27/11 Went in and tagged fluid at 1100' down – had 2600' fill over night with trace of oil on top. Released packer and tripped out of hole. Rigged up Log Tech of Kansas. **Set CIBP @ 3630' perforated from 3570 – 3572 with 4 SPF.** Tripped in hole with packer to 3550'. Swabbed down to 2500' and set packer. Swabbed well dry. Rigged up Kansas Acid and spotted acid over perms. Started treating with 300 gallons 15% Mud Acid. 300# and started feeding at 1/2 BPM, at 3 bbls – took to 3 3/4 BPM @ 300#, after 5 bbls acid – took to 1 BPM and at 300#, finished acid treatment. ISIP: 200#. Vacuum in 25 minutes. Total load recovered – 23 bbls. Went in and began swabbing.

Time	Recovery	Content and Fluid Level
1 st hour	20 bbls fluid	Last pull @ 3200' down and had 20% oil cut.
2 nd hour	6 bbls fluid	20% oil – fluid at 3250' Released packer, got acid off backside, made 2 swabs, released packer and made 2 swabs – fluid 3250' down. SION

9/28/11 Tagged fluid at 950' down – 2600' fill overnight, 1100' oil, 1500' water. Tripped out of hole with packer. Rigged up Log Tech of Kansas and **perforated from 3555 – 3560 (Lansing D) with 4 SPF.** Tripped in hole with plug and packer. Set plug at 3565' and packer at 3550'. Started swabbing – pulling 300' per pull. Plug must be in casing collar. Moved plug 3' down and reset at 3568'. Swabbed well dry. Will check overnight fill up. SION

9/29/11 Went in and tagged fluid at 1300' down – had 1100' oil and 1150' water. Swabbed well dry. Spotted with 200 gallons of 15% mud acid (Kansas Acid) over perforation:

Pressure	Time	Amount of Acid
	1 1/2 hours	-0-
200#	1/2 hour	Took 4 gallons
300#	1/2 hour	Took 4 gallons
500#	1/2 hour	Took 4 gallons
1000#	1 hour	Took 4 gallons

Released pressure and swabbed back acid. Ran 1/2 hour test and had 100' fill. SION

09/30/11 Went in with swab and tagged fluid at 3300' down. Had 250' fill overnight. TOH with plug and packer and tallied tubing. Have 2.36' difference. RU Log Tech of Kansas and **re-perforated from 3555 – 3560 – 4 SPF.** TIH and set plug at 3563' and packer at 3546' and swabbed dry. Rigged up Kansas Acid and spotted 300 gallons of 20% NEFE acid over perforations:

Pressure	Time	Amount of Acid
300#		-0-
500#	40 minutes	1 1/2 bbls acid
800#	20 minutes	1 bbl acid
1200#	20 minutes	1 bbl acid
1500#	15 minutes	1 1/2 bbls
1700#	1 minute	1/10 th bbl

10/01/11 ISIP: 200#, vacuum in 2 minutes, load was 20 1/2 bbls. Went in with swab and fluid was 50' down. Swabbed back to 2900' – 13 bbls – no acid kick. Released packer and made 2 swabs. Reset packer and swabbed dry.

10/03/11 Went in with swab and tagged fluid at 3000'. Had 550' fluid @ 90% oil. Swabbed dry and conducted 1/2 hour test – no fluid. Dropped 2 3/8" standing valve to test tubing. Loaded tubing and we do have a small tubing leak. TOH with tubing to be tested. SION

10/04/11 Tested tubing – lost 3 jts. Tripped in hole with plug and PPI tool, set plug at 3615' and PPI tool at 3540'. Took test tool to 2000#. Took tool down to 3560', rigged up Kansas Acid, loaded tool with 5 bbls of 20% NEFE Acid and treated perforations from 3555 – 3560' at 1200# and 1 BPM at 1200#. Released tool and swabbed acid off backside. Went down and got plug and took it to 3565' – swabbed well down.

Test time	Recovery	% Oil	Fluid Level
1 st hour	5 bbls fluid	40% oil	fluid at 3200'
2 nd 1/2 hour	3 1/4 bbls fluid	70% oil	fluid at 3250'

SION

10/05/11 Tagged fluid at 1125' down – had 2425' fill overnight. Swabbed down and had 1200' oil and 1225' water.
Test time Recovery % Oil Fluid Level
1st ½ hour test 3 1/2 bbls fluid 70% oil fluid at 3200' down
2nd ½ hour 3 1/4 bbls fluid 70% oil fluid at 3200' down

TOH. TIH with 114 jts of 2 3/8" tubing, MA and SN to 3613'. Ran in 2 X 1 ½ X 12' RWT pump and 142 – ¾" rods, 2', 4', 6' and 8' rod subs to SN. RDMO

10/6/11 Shut-in waiting on pumping unit, motor and laying lead lines.

10/14/11 Started pumping unit.

	Barrels Oil	Barrels Water	Notes
10/15/11	20	90	Lease Production Totals – Arndt 1-34 makes approximately 3 BOPD
10/16/11	45	70	
10/17/11	35	40	
10/18/11	30	42	
10/19/11	31	45	
10/20/11	27	40	

ALLIED CEMENTING CO., LLC. 038255

Federal Tax I.D.# 20-5975804

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:
Russell

DATE <u>9/3/11</u>	SEC. <u>34</u>	TWP. <u>3</u>	RANGE <u>23</u>	CALLED OUT	ON LOCATION	JOB START <u>6:30</u>	JOB FINISH <u>2:00</u>
LEASE <u>Arnold</u>	WELL# <u>2-34</u>	LOCATION <u>Norton 5th SRd</u>				COUNTY <u>Norton</u>	STATE <u>Ks.</u>
OLD OR NEW (Circle one)			<u>1w 34N E 1/4</u>				

CONTRACTOR Wm Drilling Rig #2
TYPE OF JOB Surface S-b
HOLE SIZE 12 1/2 T.D. 345'
CASING SIZE 8 1/2 DEPTH 345'
TUBING SIZE DEPTH
DRILL PIPE DEPTH
TOOL DEPTH
PRES. MAX MINIMUM
MEAS. LINE SHOE JOINT
CEMENT LEFT IN CSG. 15'
PERFS.
DISPLACEMENT 21,276/1

OWNER _____
CEMENT AMOUNT ORDERED 200 Co. 32 CC
21,621

EQUIPMENT
PUMP TRUCK CEMENTER Shane
405 HELPER Todd
BULK TRUCK
396 DRIVER Chris H.
BULK TRUCK
DRIVER

COMMON	<u>200</u>	@ <u>16.25</u>	<u>3250.00</u>
POZMIX		@	
GEL	<u>4</u>	@ <u>21.25</u>	<u>85.00</u>
CHLORIDE	<u>7</u>	@ <u>58.20</u>	<u>407.40</u>
ASC		@	
HANDLING	<u>211</u>	@ <u>2.25</u>	<u>474.75</u>
MILEAGE	<u>116.5</u>	@ <u>15.00</u>	<u>1747.50</u>
TOTAL			<u>5934.65</u>

REMARKS:

Raw 8jts + Conding 54.
Mixed 200 jts
Cement Circulated

SERVICE

DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>1125.00</u>
EXTRA FOOTAGE	@		
MILEAGE	<u>148</u>	@ <u>7.00</u>	<u>1036.00</u>
MANIFOLD	<u>148</u>	@ <u>4.00</u>	<u>592.00</u>
TOTAL			<u>2753.00</u>

CHARGE TO: American Energy
STREET _____
CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

	@		
	@		
	@		
	@		
	@		
TOTAL			

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

SALES TAX (IF Any) _____
TOTAL CHARGES 6687.65
DISCOUNT 50/20 IF PAID IN 30 DAYS

PRINTED NAME DIAN DOOKS WALKER
SIGNATURE _____

Thanked



P. O. Box 466
Ness City, KS 67560
Off: 785-798-2300



Invoice

DATE	INVOICE #
9/8/2011	21091

BILL TO
American Energies Corporation 155 North Market Street 710 Market Centre Building Wichita, KS 67202

3001.00 Acidizing
 • Cement
 • Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#2-34	Amdt	Norton	WW Drilling	Oil	Development	Cement LongStri...	Blaine
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				70	Miles	6.00	420.00
578D-L	Pump Charge - Long String				1	Job	1,500.00	1,500.00
402-4	4 1/2" Centralizer				6	Each	65.00	390.00T
403-4	4 1/2" Cement Basket				2	Each	250.00	500.00T
407-4	4 1/2" Insert Float Shoe With Auto Fill				1	Each	300.00	300.00T
408-4	4 1/2" D.V. Tool & Plug Set				1	Each	2,700.00	2,700.00T
417-4	4 1/2" D.V. Latch Down Plug & Baffle				1	Each	200.00	200.00T
281	Mud Flush				500	Gallon(s)	1.25	625.00T
221	Liquid KCL (Clayfix)				4	Gallon(s)	25.00	100.00T
330	Swift Multi-Density Standard (MIDCON II)				300	Sacks	16.50	4,950.00T
325	Standard Cement				175	Sacks	13.50	2,362.50T
284	Calseal				8	Sack(s)	35.00	280.00T
283	Salt				900	Lb(s)	0.20	180.00T
285	CFR-1				100	Lb(s)	4.00	400.00T
276	Flocele				125	Lb(s)	2.00	250.00T
290	D-Air				5	Gallon(s)	35.00	175.00T
581D	Service Charge Cement				475	Sacks	2.00	950.00
583D	Drayage				1,685.35	Ton Miles	1.00	1,685.35
	Subtotal							17,967.85
	Sales Tax Norton County						7.05%	945.58
We Appreciate Your Business!							Total	\$18,913.43

RECD SEP 13 2011



Services, Inc.

CHARGE TO: American Energies
 ADDRESS: _____
 CITY, STATE, ZIP CODE: _____

TICKET
21091

PAGE 1 OF 2

SERVICE LOCATIONS:
1. Ness City, KS

WELL/PROJECT NO. 2-34

LEASE

Amwt

COUNTY/PARISH
NOBLET

STATE

CITY
NOBLET

DATE
8/5/81

OWNER

2. _____
 3. _____

TICKET TYPE
 SERVICE
 SALES

CONTRACTOR

RIG NAME/NO.

SHIPPED VIA

DELIVERED TO
NOBLET

ORDER NO.

WELL LOCATION

4. _____

WELL TYPE
OT

WELL CATEGORY
Development

JOB PURPOSE
concrete long string

WELL PERMIT NO.

WELL PERMIT NO.

WELL LOCATION
34-3-23

INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.	U/M	QTY.	U/M	UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE	70	mi			6.00	420.00
578		1			Pump Charge	1	ea			1500.00	1500.00
402		1			Controlizer	4 1/2	in			65.50	390.00
403		1			Concut Basket	2	ea			250.00	500.00
407		1			Inset Flat shoe w/ AUTO FILL	4 1/2	in			300.00	300.00
408		1			DV Tool	4 1/2	in			2700.00	2700.00
417		1			Inset Flat DV bit/drum plug 3/8" dia	4 1/2	in			200.00	200.00
281		1			MUDLUSH					1.25	625.00
221		1			PCL liquid	4	gal			25.00	100.00

TERMS: Customer hereby acknowledges and agrees to and conditions on the reverse side hereof which include, limited to, PAYMENT, RELEASE, INDEMNITY, and WARRANTY provisions.

REMIT PAYMENT TO:
 SWIFT SERVICES, INC.
 P.O. BOX 466
 NESS CITY, KS 67560
 785-798-2300

SURVEY
 OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?
 WE UNDERSTOOD AND MET YOUR NEEDS?
 OUR SERVICE WAS PERFORMED WITHOUT DELAY?
 WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?
 ARE YOU SATISFIED WITH OUR SERVICE?
 CUSTOMER DID NOT WISH TO RESPOND

BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO DELIVERY OF GOODS
 TIME SIGNED
 A.M.
 P.M.

APPROVAL

PAGE TOTAL 1
 6735.00
 2 11222.85
 sub total 17967.85
 7.00 tax
 945.58
 TOTAL 18,913.43

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.
 Thank You!