



Operator Name: **American Energies Corporation** Lease Name: **Maddix Trust "I"** Well #: **1**

Sec. **13**  East  West County: **Barber County, Kansas**

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken  Yes  No  
(Attach Additional Sheets)

Samples Sent to Geological Survey  Yes  No

Cores Taken  Yes  No

Electric Log Run  Yes  No  
(Submit Copy)

List All E. Logs Run:

**Sonic, Dual Induction,  
Compensated Density/Neutron PE,  
Micro,**

Log Formation (Top), Depth and Datum  Sample

Name **See Attachment** Top Datum

CASING RECORD  New  Used

Report all strings set-conductor, surface, intermediate, production, etc.

Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacjs Used	Type and Percent Additives
Surface	12-1/4"	8-5/8"	20#	268'	60/40 Poz	165	3%cc 2%gel

ADDITIONAL CEMENTING / SQUEEZE RECORD

Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate				
<input type="checkbox"/> Protect Casing				
<input type="checkbox"/> Plug Back TD				
<input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth

TUBING RECORD Size Set At Packer At Liner Run  Yes  No

Date of First, Resumerd Production, SWD or Enhr. Producing Method  Flowing  Pumping  Gas Lift  Other (Explain)

Estimated Production Per 24 Hours Oil Bbls. Gas Mcf Water Bbls. Gas-Oil Ratio Gravity

Disposition of Gas METHOD OF COMPLETION Production Interval

Vented  Sold  Used on Lease  Open Hole  Perf.  Dually Comp.  Commingled  
(If vented, Sumit ACO-18.)  Other (Specify)

CONFIDENTIAL

ORIGINAL

TIGHT HOLE
AMERICAN ENERGIES CORPORATION
DRILLING REPORT
Maddix Trust "I" #1

KCC

APR 28 2003

CONFIDENTIAL

LOCATION: C E/2 SE
Section 10-T31S-R13W

COUNTY: Barber County
GEOLOGIST: Doug Davis
CONTRACTOR: Duke Drilling
NOTIFY: American Energies Corporation

Lario Oil and Gas Company
Graves Leases, LLC
Mull Drilling Company, Inc.
W. Mike Adams
Fredrick W. Stump Trust
D & D Investment

SURFACE CASING: 6 jts (255') 8 5/8" X 20#
Set @ 268' with 165 sx 60/40 poz

PRODUCTION CASING:
G.L.: 1669' K.B: 1680'
SPUD DATE: 03/26/03

COMPLETION DATE:
RIG PHONE: 620-793-0836
API#: 15-007-22737-00-00

REFERENCE WELLS:
#1 #2 Maddix - N/2 N/2 NW Sec. 14-31S-13W
#2 Packard #2 - NE NE SE Sec. 15-31S-13W
#3 Ketner OWWO #1 - Sec. 9-31S-13W
#4 Parr A 1 AEC NE/4 Sec. 15-31S-13W

Table with 8 columns: FORMATION, SAMPLE LOG, ELECTRIC LOG TOPS, and COMPARISON (sub-columns #1, #2, #3, #4). Rows list geological formations like Herington, Onaga Shale, Indian Cave, etc., with corresponding depth and comparison values.

03/26/03 MIRT

03/27/03 WOC at 7:00 a.m. Spud 10:00 p.m. 03/26/03. Set 6 jts (255') 8 5/8" X 20# casing, set @ 268' with 165 sx 60/40 pozmix, 3% cc, 2% gel. Plug down at 5:15 a.m. Cement did circulate.

03/28/03 Drilling at 1610' at 7:00 a.m. Wellsite Geologist is going out to look for the Indian Cave, Gas Detector is operational.

03/29/03 Drilling @ 2670'

03/30/03 Drilling @ 3420'

03/31/03 Running DST #1 3660'-3768' (Lwr Douglas Sand) just starting test, information later today. Results DST #1: 3660-3678, Times: 30-60-45-90. Recovered 125' GIP, 1451' TF, 135' SLGWCM, 1016' SW, Chlorides: 85,000 PPM, Mud Chl.: 3,000 PPM. IFP: 65-271, ISIP: 1325, FFP: 295-505, FSIP: 1323, IHP: 1757, FHP: 1796, BHT: 116 degrees.

04/01/03 Drilling @ 4103' at 7:00 a.m. Circulated for samples @ 4026' (Drum Limestone) and @ 4085' (Dennis Limestone). Finished circulating @ 4125' (Swope Limestone). No shows in any formation. Will drill ahead to 4170' and look at Hertha Limestone.

04/02/03 DST #2: 4271-4300 (Mississippi), Times: 30-60-60-90. Recovered 2940' GIP, 65' G & OCWM (30% G, 26% O, 4% W, 40% M). BHT: 121, IHP: 2107, FHP: 2037, IFP: 23-28, FFP: 22-39, ISIP: 744, FSIP: 694. Not breaking over, still increasing.

04/03/03 Circulating for sample @ 4492'. Results DST #3: 4226-4265 (Straddle test). Times: 30-60-60-90, GTS in 13" into second blow. Gas stabilized at 654 cubic feet. Recovered 123' G&OCM (54%G, 16%O, 30%M), BHT: 125 degrees. IHP: 2074, FHP: 2063, IFP: 43-45, FFP: 54-63, ISIP: 767 and building, FSIP: 766 and building. There is a miner show in the Misner Sand, will not test.

04/04/03 Logging @ 4708 - Sonic log. Logging company will e-mail DLL, CNL and FDL for review. Doug reports no zones of interest not drillstem tested. Circulated for samples at 4603 and 4708 with no shows. Will finish logging around 11:00 a.m.

After reviewing logs, all zones of interest were tested with negative results or calculated wet. We will plug and abandon well today 4/4/03.

PLUGGING INFORMATION AS FOLLOWS: 10 SX in Mousehold, 15 sx in Rathole, 10 sx @ 40', 50 sx @ 300', 40 sx @ 600', 50 sx @ 4668' total of 175 sx - 60/40 poz 6% gel. Plug down at 9:00 pm. 4/4/03. State plugging agent - Steve Middleton, District #1

RELEASED
FROM
CONFIDENTIAL

RECEIVED
JUN 11 2003
KCC WICHITA

ORIGINAL

# ALLIED CEMENTING CO., INC. 12318

**CONFIDENTIAL** Federal Tax ID # ~~██████████~~

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

APR 28 2003

SERVICE POINT:  
Medicine D.C.

DATE <u>3-27-03</u>	SEC. <u>10</u>	TWP. <u>31S</u>	RANGE <u>13W</u>	ON LOCATION <u>1:30 AM</u>	JOB START <u>3:00 AM</u>	JOB FINISH <u>4:50 AM</u>
LEASE <u>Maddix TRUST</u>			WELL # <u>#1</u>	LOCATION <u>Mingona Corner</u>	COUNTY <u>Barber</u>	STATE <u>KS</u>
OLD OR <u>NEW</u> (Circle one)			2N 2NW into			

CONTRACTOR Duke #5

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 270

CASING SIZE 8 5/8 DEPTH 268

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE 4 1/2 DEPTH 270

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX 250 PSI MINIMUM -

MEAS. LINE \_\_\_\_\_ SHOE JOINT 15 FT

CEMENT LEFT IN CSG. 15 FT

PERFS. \_\_\_\_\_

DISPLACEMENT Fresh H<sup>2</sup>O 16 1/2 BBLs

OWNER American Energies

CEMENT  
AMOUNT ORDERED 165 SX 60' 40' 2  
+ 3% OCC

COMMON	<u>99 A</u>	@ <u>6.65</u>	<u>658.35</u>
POZMIX	<u>66</u>	@ <u>3.55</u>	<u>234.30</u>
GEL	<u>3</u>	@ <u>10.00</u>	<u>30.00</u>
CHLORIDE	<u>5</u>	@ <u>30.00</u>	<u>150.00</u>
_____	_____	@ _____	_____
_____	_____	@ _____	_____
_____	_____	@ _____	_____
_____	_____	@ _____	_____
_____	_____	@ _____	_____
_____	_____	@ _____	_____
HANDLING	<u>173</u>	@ <u>1.10</u>	<u>190.30</u>
MILEAGE	<u>10</u>	<u>Min</u>	<u>100.00</u>

RELEASED FROM TOTAL 1362.95

**CONFIDENTIAL**

REMARKS:

SERVICE

pipe on bottom breaking  
pump 165 SX 60' 40' 2 + 3% OCC  
Displace w/ 16 1/2 BBLs  
Fresh Water shut in  
Cement D.D.C.

DEPTH OF JOB	<u>268</u>		
PUMP TRUCK CHARGE			<u>520.00</u>
EXTRA FOOTAGE		@ _____	_____
MILEAGE	<u>10</u>	@ <u>3.00</u>	<u>30.00</u>
PLUG	<u>RECEIVED</u>	@ <u>45.00</u>	<u>45.00</u>
_____	_____	@ _____	_____
_____	_____	@ _____	_____

**RECEIVED**  
**JUN 11 2003**  
**KCC WICHITA**

TOTAL 595.00

CHARGE TO: American Energies

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

FLOAT EQUIPMENT

_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____

TOTAL \_\_\_\_\_

To Allied Cementing Co., Inc.  
You are hereby requested to rent cementing equipment and furnish cementer and helper 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 & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX -0-  
TOTAL CHARGE 1957.95  
DISCOUNT 195.80 IF PAID IN 30 DAYS

SIGNATURE [Signature]

[Signature]  
PRINTED NAME

Net \$ 1762.15

# ALLIED CEMENTING CO., INC. 12332

**CONFIDENTIAL**

Federal Tax I.D.# [REDACTED]

**ORIGINAL**

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

**KCC**

SERVICE POINT: Med Lodge

APR 28 2003

DATE <u>4-4-03</u>	SEC. <u>10</u>	TWP. <u>31S</u>	RANGE <u>13W</u>	CALLED OUT <u>CONFIDENTIAL</u>	ON LOCATION <u>3:30 PM</u>	JOB START <u>4:00 PM</u>	JOB FINISH <u>1:00 PM</u>
LEASE <u>Trust</u>	WELL # <u>2-1</u>	LOCATION <u>Mingana Corner</u>			COUNTY <u>Lincoln</u>	STATE <u>Ks</u>	
OLD OR NEW (Circle one)				<u>2 N Winto</u>			

CONTRACTOR Shook #5  
 TYPE OF JOB History Aug  
 HOLE SIZE 7 7/8" T.D. 4708  
 CASING SIZE 7 7/8" DEPTH 368  
 TUBING SIZE 4 1/2" DEPTH 4168  
 DRILL PIPE 4 1/2" 16' DEPTH 4168  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 3 1/2" + 58 PBLs Mud

OWNER American Energies  
 CEMENT AMOUNT ORDERED 175 sy 60.40.6  
 COMMON A 105 @ \_\_\_\_\_  
 POZMIX 84 @ \_\_\_\_\_  
 GEL 9 @ \_\_\_\_\_  
 CHLORIDE \_\_\_\_\_ @ \_\_\_\_\_

**EQUIPMENT**

PUMP TRUCK # 343 CEMENTER Justin Hart  
 # 343 HELPER Mark Rungarth  
 BULK TRUCK # 343 DRIVER Tim Cantrell  
 BULK TRUCK # \_\_\_\_\_ DRIVER \_\_\_\_\_

**RELEASED FROM CONFIDENTIAL**

HANDLING @ \_\_\_\_\_  
 MILEAGE @ \_\_\_\_\_  
 TOTAL \_\_\_\_\_

**REMARKS:**

Lead Hole 3/4" Aug  
50 sy 60.40.6 @ 4168'  
2.15" 3 1/2" + 58 PBLs Mud  
Lead Hole  
10 sy 60.40.6 @ 470'  
Lead Hole  
10 sy 60.40.6 @ 300'  
10 sy 40' 10 sy Mouse  
15 sy Rat

**SERVICE**

DEPTH OF JOB 4168  
 PUMP TRUCK CHARGE \_\_\_\_\_  
 EXTRA FOOTAGE @ \_\_\_\_\_  
 MILEAGE @ \_\_\_\_\_  
 PLUG @ \_\_\_\_\_  
 @ \_\_\_\_\_  
 @ \_\_\_\_\_

CHARGE TO: American Energies  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**RECEIVED**

**JUN 11 2003**

**FLOAT EQUIPMENT**

**KCC WICHITA**

To Allied Cementing Co., Inc.  
 You are hereby requested to rent cementing equipment and furnish cementer and helper 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 & understand the "TERMS AND CONDITIONS" listed on the reverse side.

SIGNATURE \_\_\_\_\_

@ \_\_\_\_\_  
 @ \_\_\_\_\_  
 @ \_\_\_\_\_  
 @ \_\_\_\_\_  
 @ \_\_\_\_\_  
 TOTAL \_\_\_\_\_

TAX \_\_\_\_\_  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

PRINTED NAME \_\_\_\_\_

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—**TERMS:** Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—**ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—**PRICES AND TAXES:** All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—**PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—**SERVICE CONDITIONS AND LIABILITIES:** 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

**WARRANTIES:** 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.