

STATE OF KANSAS
STATE CORPORATION COMMISSION
130 S. Market, Room 2078
Wichita, Kansas 67202

Well Plugging Record
K.A.R. -82-3-117

API NUMBER 15-135-22-862 -00-00
LEASE NAME Davis
WELL NUMBER E-2

TYPE OR PRINT
NOTICE: Fill out completely and return
to Cons. Div. office within 30 days.

3960 Ft. from South Line of Section
2970 Ft. from East Line of Section
SENE S1/2 S1/2 NW
Date Well Completed 1/22/85
Date Plugging Commenced 4/20/06
Date Plugging Completed 4/20/06
KCC 5/10/06 Pkt Per CP-1

LEASE OPERATOR American Energies Corporation
ADDRESS 155 N Market, Suite 710
CITY, STATE, ZIP Wichita, KS 67202
PHONE # 316-263-5785
Character of Well Oil
(Oil, Gas, D&A, SWD, Input, Water Supply Well)

SPOT LOCATION Section 34 Township 16S Range 21W
County Ness
Date Well Completed 1/22/85
Date Plugging Commenced 4/20/06
Date Plugging Completed 4/20/06
(date)
Mike Maier - State Plugging Agent (KCC District Agent's Name)

The plugging proposal was approved on 4/20/06
by Mike Maier - State Plugging Agent
Is ACO-1 Filed? Yes - on file with KCC If not, is well log attached?
Producing Formation(s) Cherokee A Sandstone Depth to Top 4122 Bottom 4120 T.D. 4185
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULL OUT
Surface	Water sands	596'	0'	8 5/8" 23#	596'	None
Production	Oil	Surface	4182'	5 1/2"	4182'	None

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from _____ feet to _____ feet each set.
Hooked up to 5 1/2" casing, mixed 25 sx with 300# hulls, 22 sx gel spacer, 155 sx and pressured to 300#.
Hooked to annulus and mixed 10 sx and pressured to 500#.
Used a total of 114 sx common, 76 sx pozmix, 38 sx gel.

Name of Plugging Contractor American Energies Corporation
Licence No. 5399
Address 155 North Market, #710 City: Wichita State: Kansas Zip 67202

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: American Energies Corporation (Operator)

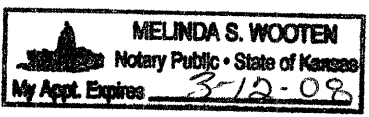
STATE OF KANSAS COUNTY OF Sedgwick, ss.

Alan L. DeGood, President (Employee of Operator or (Operator) of above described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above described well as filed that the same are true and correct, so help me God.

(Signature) *Alan L. DeGood*
(Alan L. DeGood, President, American Energies Corporation)

(Address) 155 North Market, Suite 710 City: Wichita State: Kansas Zip 67202

SUBSCRIBED AND SWORN TO me this 9th day of May 2006



Melinda S. Wooten
Melinda S. Wooten, Notary Public

My Commission Expires: 3/12/08

Form CP-4
Revised 12-92

RECEIVED
MAY 10 2006
KCC WICHITA

Pkt

State Plugging Agent - Mike Maier

ALLIED CEMENTING CO., INC.

24255

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

SERVICE POINT:

Ht Bend

DATE <u>4-20-06</u>	SEC. <u>34</u>	TWP. <u>16</u>	RANGE <u>21</u>	CALLED OUT _____	ON LOCATION <u>11:00AM</u>	JOB START <u>11:15AM</u>	JOB FINISH <u>12:00PM</u>
LEASE <u>Davis</u>	WELL # <u>2</u>	LOCATION <u>MC crocker W to Col W</u>			COUNTY <u>New</u>	STATE <u>Ks</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)				<u>3w 1s, 1/2 E, S/3</u>			

CONTRACTOR _____ OWNER Samm

TYPE OF JOB Plug

HOLE SIZE _____	T.D. _____
CASING SIZE <u>5 1/2"</u>	DEPTH _____
TUBING SIZE _____	DEPTH _____
DRILL PIPE _____	DEPTH _____
TOOL _____	DEPTH _____
PRES. MAX _____	MINIMUM _____
MEAS. LINE _____	SHOE JOINT _____
CEMENT LEFT IN CSG. _____	
PERFS. _____	
DISPLACEMENT _____	

CEMENT

AMOUNT ORDERED 230 cu 60/40 6% Mel

22 Mel, 300# Hulls

used 190 lbs cement

COMMON <u>114 cu } 190 @ 9.60</u>	<u>1094.40</u>	
POZMIX <u>76 cu } @ 5.20</u>	<u>395.20</u>	
GEL <u>38 cu } @ 15.00</u>	<u>480.00</u>	
CHLORIDE _____	@ _____	
ASC _____	@ _____	
<u>Hous 300#</u>	@ <u>23.00</u>	<u>69.00</u>
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
HANDLING <u>267.14</u>	@ <u>1.70</u>	<u>453.90</u>
MILEAGE <u>267 Sep 07</u>	<u>22</u>	<u>411.18</u>
TOTAL		<u>2903.68</u>

EQUIPMENT

PUMP TRUCK	CEMENTER <u>Tom - Bud</u>
# <u>181</u>	HELPER <u>Rick</u>
BULK TRUCK	
# <u>344</u>	DRIVER <u>Brandon</u>
BULK TRUCK	
# _____	DRIVER _____

REMARKS:

Hooked to 5 1/2 cu. Mixed 25 cu w/300# Hulls
22 cu Mel Spares - 155 cu + Pressured to 300#
Hooked to Annular. Mixed 10 cu + Pressured
to 500#.

SERVICE

DEPTH OF JOB <u>BILLARD</u>		
PUMP TRUCK CHARGE _____	<u>330.00</u>	
EXTRA FOOTAGE _____	@ _____	
MILEAGE <u>22</u>	@ <u>5.00</u>	<u>110</u>
MANIFOLD _____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
TOTAL		<u>330.00</u>

CHARGE TO: American Energies

STREET _____

CITY _____ STATE _____ ZIP _____

RECEIVED
MAY 10 2006
KCC WICHITA

PLUG & FLOAT EQUIPMENT

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.

_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
TOTAL		_____

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE [Signature]

[Signature]
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.