

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 5399
Name: AMERICAN ENERGIES CORPORATION
Address: 155 North Market, Suite 710
City/State/Zip: Wichita, KS 67202
Purchaser: _____
Operator Contact Person: Alan L. DeGood
Phone: (316) 263-5785
Contractor: Name: Discovery Drilling Co., Inc.
License: 31548
Wellsite Geologist: David Goldak

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:
Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back Plug Back Total Depth
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Enhr.?) Docket No. _____
12/5/01 12/11/01 12/12/01
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 195-22,217-0000
County: Trego
260' W of _____
C NE NW Sec. 13 Twp. 12 S. R. 21 W East West
660 feet from / (circle one) Line of Section
1720 feet from / (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Bailey Trust "C" Well #: 1
Field Name: Corron East
Producing Formation: None
Elevation: Ground: 2296 Kelly Bushing: 2304
Total Depth: 4080 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 264.43 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to _____ w/ ALT II P&A within 10-13-06 sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content 15,000 ppm Fluid volume 320 bbls
Dewatering method used Evaporation
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Alan L. DeGood
Title: President Date: 12/17/01

Subscribed and sworn to before me this 17th day of December

19 2001
Notary Public: Melinda S. Wooten
Date Commission Expires: 3-12-04



KCC Office Use ONLY

Letter of Confidentiality Attached _____
If Denied Yes No Date: _____
RECEIVED
KANSAS CORPORATION COMMISSION
Wireline Log Received _____
Geologist Report Received _____
UIC Distribution
JAN 10 2002

CONSERVATION DIVISION

Operator Name: AMERICAN ENERGY CORPORATION Lease Name: Bailey Trust "C" Well #: 1
 Sec. 13 Twp. 12 S. R. 21W East West County: Trego

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)
See Attachments
 Samples Sent to Geological Survey Yes No
 Cores Taken Yes No
 Electric Log Run Yes No
 (Submit Copy)

Log Formation (Top), Depth and Datum Sample
 Name Top Datum

See Attachments

List All E. Logs Run:
Dual Induction
Compensated Neutron Density

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> 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	# Sacks Used	Type and Percent Additives
Surface Pipe	12 1/4	8 5/8	20	264.43	Common	165	2%Gel&3%CC

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
					<input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr.		Producing Method			
		<input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval _____

**AMERICAN ENERGIES CORPORATION
DRILLING REPORT
Bailey Trust "C" #1**

ORIGINAL

LOCATION: Approx. 260' E of C NE NW
Section 13-T12S-R21W

COUNTY: Trego County, Kansas
CONTRACTOR: Discovery Drilling Rig #2
GEOLOGIST:

NOTIFY: Mull Drilling - Phone: 264-6366
Fax #: 264-6440

SURFACE CASING: 6 jts 20# new 8
5/8" set @ 264.43'. Casing Tally: 254.43'

PRODUCTION CASING:
G.L.: 2296 **K.B.:** 2304
SPUD DATE: 12/05/01
COMPLETION DATE:

REFERENCE WELLS:
#1 Beren - Christopher #1 - SW SW NW
Section 13-T12S-R21W
#2 AEC - Stalnakker Trust - SW SW SW
Section 12-T12S-R21W
#3 Strata - Trellis #2 - W/2 SW NE
Section 12-T12S-R21W
#4 Robinwitz - #1 Mai - NW NW NE
Section 13-T12S-R21W

RECEIVED
KANSAS CORPORATION COMMISSION
T. Warren Hall: - 785-625-2722
3015 Thunderbird Ct. Hays, KS 67601
D & D Investment
Thomas C. Hyde

JAN 10 2002

CONSERVATION DIVISION

FORMATION:	SAMPLE LOG:		ELECTRIC LOG TOPS:		COMPARISON:			
					#1	#2	#3	#4
Anhydrite	1708	+596			-14	-12	+14	NA
Base Anhydrite	1756	+584			-14	-12	+10	NA
Topeka	3361	-1057	3353	-1049	-12	Flat	+25	+23
Heebner	3581	-1277	3576	-1272	-12	-2	+25	+26
Toronto	3604	-1300	3592	-1288	-5	+4	+28	+21
Lansing	3619	-1315	3608	-1304	-7	+4	+28	+28
Base/Kansas City	3852	-1546	3848	-1542	-10	-6	+29	+27
Marmaton	3914	-1610	3908	-1604	-6	-4	+29	+29
Arbuckle	3986	-1682	3981	-1675	-10	+2	+42	Not Pen
TD:	4080		4075					@ -1725 +51

12/06/01 Drilling at 265' at 7:00 a.m. Drilled plug @ 6:45 a.m. 12/6/01. Spud 12 1/4" hole @ 3:30 p.m. 12/5/01. Ran six jts new 20# 8 5/8" casing - Tally: 254.43', set @ 264.43'. Cemented with 165 sx Common 2% gel, 3% CC. Cement did circulate. Job complete at 10:45 p.m. 12/5/01. Cementing by Allied.

12/07/01 Drilling at 1761'

12/08/01 Drilling at 2645'

12/09/01 Drilling at 3268'

12/10/01 Drilling at 3728'

12/11/01 RTD: 3997 - short tripping - preparing for DST #1. Mud Wt: 9.3, Visc.: 53, W.L.: 6.8, LCM: 2#/bbl

12/12/01 RTD: 4060, Results of DST #1: 3935-3937 (Arbuckle). Times: 30-45-15-45. 1st opening: Weak blow, 2nd opening: No blow. Recovered 20' SLOCM (5% Oil). IFP: 22-26, ISIP: 521, FFP: 27-26, FSIP: 445, IHP: 1989, FHP: 1921, Temp.: 109. Ran open log, LTD 5' high to RTD: 4051, No untested shows, will prepare to plug.
Plugging information as follows:
1st plug @ 3950' with 25 sx
2nd plug @ 1750' with 25 sx
3rd plug @ 950' with 100 sx
4th plug @ 315' with 40 sx
5th plug @ 40' with 10 sx
15 sx in Rathole, Total 215 sx 60/40 poz 6% gel with 1/4# FC/sx. Cementing by Allied. Job completed @ 3:15 p.m. 12/12/01. State Plugger: Herb Deines

ALLIED CEMENTING CO., INC.

P.O. BOX 31
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566
 FEDERAL TAX ID#

ORIGINAL
 INVOICE

Invoice Number: 026129

Invoice Date: 12/14/01

Sold American Energies Corp.
 To: 155 N. Market #210
 Wichita, KS
 67102

Cost T.D. No. An Eng
 P.O. Number Bailey TR 241
 P.O. Date 12/14/01
 Div Date 01/13/02
 Form No 10

Item Description	Qty	Unit	Price	Total	Ext
Common	165.00	SKS	6.6500	1097.25	E
Cel	3.00	SKS	10.0000	30.00	E
Chloride	5.00	SKS	30.0000	150.00	E
Handling	173.00	SKS	1.1000	190.30	E
Mileage (50)	50.00	MILE	6.9200	346.00	E
173 sks @ \$1.04 per sk per mi					
Surface	1.00	JOB	520.0000	520.00	E
Mileage pmp trk	50.00	MILE	3.0000	150.00	E
Plug	1.00	EACH	45.0000	45.00	E

All Prices Are Net. Payable 30 Days Following
 Date of Invoice. 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of \$ 242.81
 ONLY if paid within 30 days from Invoice Date

Subtotal:	2528.55
Tax.....	0.00
Payments:	0.00
Total...:	2528.55

RECEIVED
 KANSAS CORPORATION COMMISSION
 JAN 10 2002
 CONSERVATION DIVISION

ALLIED CEMENTING CO., INC.

6598

Federal Tax I.D.#

ORIGINAL

Russell

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

SERVICE POINT:

DATE <u>12-5-01</u>	SEC. <u>13</u>	TWP. <u>12</u>	RANGE <u>21</u>	CALLED OUT <u>5:00 PM</u>	ON LOCATION <u>7:00 PM</u>	JOB START	JOB FINISH <u>10:45 PM</u>
LEASE <u>Bailey Trust</u>	WELL # <u>C-1</u>	LOCATION <u>RIGA 2N H E S INTO</u>		COUNTY <u>Wheeler</u>	STATE <u>KS</u>		
OLD OR NEW (Circle one)							

CONTRACTOR Discovery Rig 2

TYPE OF JOB SURFACE

HOLE SIZE 12 1/4 T.D. 264

CASING SIZE 8 7/8 DEPTH 260

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15

PERFS.

DISPLACEMENT 15.8 bbls

EQUIPMENT

OWNER

CEMENT

AMOUNT ORDERED 16.5 bbls Cem 3-2

COMMON	<u>165</u>	@	<u>6.65</u>	<u>1097.25</u>
POZMIX		@		
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>44</u>	@	<u>15.00/mile</u>	<u>346.00</u>
TOTAL				<u>1813.55</u>

PUMP TRUCK CEMENTER Bill

153 HELPER Jason

BULK TRUCK

213 DRIVER Shane

BULK TRUCK

DRIVER

RECEIVED
KANSAS CORPORATION COMMISSION

REMARKS:

JAN 10 2002

SERVICE

RAN 6 bbls 8 7/8 det c 263'

Cemt w/ 16.5 sack Cem 3-2

pump plug w/ 15.8 bbls water

Cemt did circ

CONSERVATION DIVISION

DEPTH OF JOB

PUMP TRUCK CHARGE 520.00

EXTRA FOOTAGE @

MILEAGE 50 @ 3.00 150.00

PLUG 8 5/8 Surf @ 45.00

TOTAL 715.00

CHARGE TO: AMERICAN Energies CORP.

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

TOTAL CHARGE

DISCOUNT IF PAID IN 30 DAYS

SIGNATURE Carl F. Hoff

Carl F. Hoff
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.

ALLIED CEMENTING CO., INC.

P.O. BOX 31
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566
 FEDERAL TAX ID#

ORIGINAL
 INVOICE

Invoice Number: 086210

Invoice Date: 12/20/01

Sold American Energies Corp.
 To: 155 N. Market #710
 Wichita, KS
 67202

Cust. I.D. : An Eng.
 P.O. Number : Bailey #1
 P.O. Date : 12/20/01

Due Date : 01/19/02
 Terms : Net 30

Item / Description	Qty	Unit	Price	Ext	Rate
Common	129.00	SKS	6.6500	857.85	E
Pozmix	86.00	SKS	3.5500	305.30	E
Gel	11.00	SKS	10.0000	110.00	E
StoSeal	54.00	LBS	1.4000	75.60	E
Handling	226.00	SKS	1.1000	248.60	E
Mileage (50)	50.00	MILE	9.0400	452.00	E
226 sks @ \$2.04 per sk per mi					
Plug	1.00	JOB	630.0000	630.00	E
Mileage pmp trk	50.00	MILE	3.0000	150.00	E
Dryhole plug	1.00	EACH	23.0000	23.00	E

All Prices Are Net, Payable 30 Days Following
 Date of Invoice, 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of \$285.24
 ONLY if paid within 30 days from Invoice Date

Subtotal: 2852.35
 Tax: 0.00
 Payments: 0.00
 Total: 2852.35

285.24
2567.11

RECEIVED
 KANSAS CORPORATION COMMISSION

JAN 10 2002

CONSERVATION DIVISION

21-26

ALLIED CEMENTING CO., INC.

6019

ORIGINAL

Federal Tax I.D.#

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

SERVICE POINT:

Russell

DATE <u>12-12-01</u>	SEC. <u>13</u>	TWP. <u>12</u>	RANGE <u>21</u>	CALLED OUT	ON LOCATION <u>11:00 AM</u>	JOB START <u>11:30 AM</u>	JOB FINISH <u>3:15 PM</u>
LEASE <u>Railey</u>	WELL # <u>1</u>	LOCATION			COUNTY <u>TREY</u>	STATE <u>KANSAS</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Discovery Drllg

TYPE OF JOB Plug

HOLE SIZE 7 7/8 T.D. 4080

CASING SIZE 8 5/8 DEPTH 265

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG.

PERFS.

DISPLACEMENT

OWNER SAME

CEMENT

AMOUNT ORDERED 215 60/40 690 lbs

1/4# Flo Seal

COMMON	<u>129</u>	@	<u>665</u>	<u>857.85</u>
POZMIX	<u>86</u>	@	<u>355</u>	<u>305.80</u>
GEL	<u>11</u>	@	<u>10.00</u>	<u>110.00</u>
CHLORIDE		@		
<u>Flo Seal</u>	<u>54#</u>	@	<u>140</u>	<u>75.60</u>
		@		
		@		
		@		
		@		
HANDLING	<u>226</u>	@	<u>140</u>	<u>248.40</u>
MILEAGE	<u>44/sk/mile</u>			<u>452.00</u>
TOTAL				<u>2649.85</u>

EQUIPMENT

PUMP TRUCK CEMENTER RON

177 HELPER

BULK TRUCK DRIVER WEN

282

BULK TRUCK DRIVER

#

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 10 2002

REMARKS:

SERVICE

CONSERVATION DIVISION

<u>1st Plug</u>	<u>25 SKS @</u>	<u>3950</u>
<u>2nd Plug</u>	<u>25 SKS @</u>	<u>1750</u>
<u>3rd Plug</u>	<u>100 SKS @</u>	<u>950</u>
<u>4th Plug</u>	<u>40 SKS @</u>	<u>315</u>
<u>5th Plug</u>	<u>10 SKS @</u>	<u>40</u>
<u>15 SKS</u>	<u>Rathos</u>	

DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>630.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>50</u>	@	<u>3.00</u>
PLUG	<u>858 D.H</u>	@	<u>28.00</u>
		@	
		@	
TOTAL <u>803.00</u>			

CHARGE TO: AMERICAN ENERGIS

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 _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Thomas AL

Thomas ALm
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.