

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS DIVISION

KCC

Form ACO-1

September 1999

Form Must Be Typed

NOV 30 2004

WELL COMPLETION FORM

WELL HISTORY - DESCRIPTION OF WELL & LEASE

CONFIDENTIAL

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) (316) 263-5785
 Contractor: Name: Sterling Drilling
 License: 5142
 Wellsite Geologist: Doug Davis
 Designate Type of Completion:

New Well Re-Entry Workover
 Oil SWD SLOW 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. _____

<u>11/15/2004</u>	<u>11/24/04</u>	<u>11/24/04</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API NO. 15 - 15-007-22861-00-00
 County: Barber
 NW SE - NE - SE Sec. 16 S. R. 31 East West
1800' feet from (S) N (circle one) Line of Section
460' feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE (SE) NW SW
 Lease Name: Smith Well #: B #1
 Field Name: Wildcat
 Producing Formation: None
 Elevation: Ground: 1612' Kelly Bushing: 1621'
 Total Depth: RTD: 4540' Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at 9 jts 8 5/8" set @ 336' Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set _____ Feet

If Alternate completion, cement circulated from _____
 feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan ALT I w/ 10-17-06
 (Data must be collected from the Reserve Pit)

Chloride content 20,000 ppm Fluid volume 1,000 bbls
 Dewatering method used Fluids Hauled

Location of fluid disposal if hauled offsite: _____
 Operator Name: American Energies Corporation
 Lease Name: Short SWD License No.: 5399
 Quarter SW Sec 12 Twp 31 S. R. 8 East West
 County: Harper Docket No.: D-25,867

INSTRUCTIONS: An original and two copies of this form shall be filed with 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.

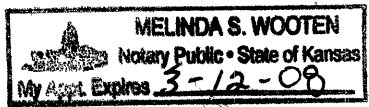
All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Alan L. DeGood
 Title: Alan L. DeGood, President Date: 11/30/04

Subscribed and sworn to before me this 30th day of November,
2004

Notary Public: Melinda S. Wooten

Date Commission Expires: Melinda S. Wooten, Notary Exp. 3/12/08



KCC Office Use ONLY

Letter of Confidentiality Attached
 If Denied, Yes Date: _____

Wireline Log Received
 UIC Distribution

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Operator Name: American Energies Corporation Lease Name: Smith Well: B-1

Sec. 16 Twp. 31 S. R. 13 Vest County: Barber

INSTRUCTIONS: Show important tops and bas of formations penetrated. Detail all cores. Report all final copies of drill stem tests giving interval test, 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 charts(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 Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No Yes No
 (Submit Copy)

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

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

See attached Drilling Report

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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	12 1/4"	8 5/8"	23#		60/40 poz	220	2% gel, 3% CC
Production	None						

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

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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 Flowing Pumping Gas Lift Other (Explain) _____

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

Disposition of Gas Vented _____ _____ _____

METHOD OF COMPLETION Open Hole Dually Comp. Commingled _____

Production Interval. Other Specify _____

(If vented, Sumit ACO-18.)

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AMERICAN ENERGIES CORPORATION
DRILLING REPORT
Smith "B" #1

LOCATION: App. C NE SE (1840 FSL, 490 FEL)
Section 16-T31S-R13W
COUNTY: Barber
API: 15-007-22861-00-00

SURFACE CASING: 336' 9 jts new 8 5/8"
set @ 332' KB.
PRODUCTION CASING: None

CONTRACTOR: Sterling Drilling Company, Tool Pusher -
Gary Pugh's Cell #: 620-793-0971
GEOLOGIST: Doug Davis 641 4469

G.L.: 1612' K.B.: 1621'
SPUD DATE: 11/15/04
COMPLETION DATE:

NOTIFY: Lario Oil and Gas Co.,
Mull Drilling Co., Graves Leases, LLC,
W. Mike Adams, Fredrick W. Stump Revocable Trust,
D & D Investment

REFERENCE WELLS:
#1 Sunray DX - #1 Charles Smith "D"
C SE SE 16-31S-13W
#2 Dynamar - #16-1 Betty Smith
NW NE 16-31S-13W

FORMATION:	SAMPLE LOG:	COMPARISON:	ELECTRIC LOG TOPS:		COMPARISON:	
			#1	#2	#1	#2
Onaga Shale	2644 -1305	+5 -6				
Indian Cave	2662 -1041	flat -14				
Wabunsee	2700 -1079	+2 -11				
Tarkio	2843 -1221	+1 -10				
Topeka	3072 -1451	flat -12				
Heebner Shale	3584 -1966	+1 -5	3586	-1965	+2	-4
Douglas Shale	3618 -1997	-8 -4	3614	-1993	-4	flat
Upper Doug Ss	3654 -2033	-7 absent	3668	-2047	-21	abs.
Lower Doug Ss	3726 -2105	+2 -11	3726	-2105	+2	-11
Lansing	3757 -2133	+7 -8	3756	-2135	+6	-7
Drum	3951 -2330	+11 -24	3950	-2329	+12	-23
Stark	4075 -2454	+14 -19	4073	-2452	+16	-17
Marmaton	4197 -2576	+23 -19	4203	-2582	+17	-25
Massy	4237 -2616	+14 -19	4236	-2615	+18	-24
Conglomerate	4256 -2636	+5 NA	4260	-2639	+2	NA
Miss. Chert	4299 -2678	+9 -90	4298	-2677	+10	
Miss. Lm	4324 -2703	absent -91	4323	-2702	abs	-90
Kinderhook Sh			4351	-2729	+35	NP
Viola			4431	-2810	+34	NP

11/12/04 MIRT
11/15/04 Pumping water and mixing mud. To spud later this morning.
11/16/04 Drilling ahead at 344' at 7:00 a.m. Drilled 12 1/4" hole to 333'. Ran 9 jts new 8 5/8" surface casing. Tally 336', set @ 332' KB. Cemented with 220 sx 60/40 poz, 3% CC, 2% gel. Plug down at 7:30 p.m. on 11/15/04. Allied cementing ticket #18165. Cement did circulate.
11/17/04 Drilling ahead at 1710' at 7:00 a.m.
11/18/04 Drilling ahead at 2360' at 7:00 a.m.
11/19/04 Drlg @ 2926 @ 7:00 a.m., circ @ 2675 Indian Cave, slight gas kick no shows
11/20/04 Drlg @ 3442 @ 7:00 a.m., circ @ 3423 Lecompton, no shows or gas kick, will mud up 3700 for the Douglas sands.
11/21/04 Drlg @ 3995 @ 7:00, circ @ 3732 in lwr Douglas sand, ns or gas kick, gas kicks last 24 hrs Heebner Shale 40 unit, upper Douglas sand 16 unit kick slight show in calcareous fine grain sandstone
11/22/04 Running DST 1 4234-4257 (Massy) 87 UGK, 20' Bioherm made up Chaetetes coral, Drlid 1-3 1/2" Ft from 3-31/2" gd st, gd cut, gd flur, free sh oil in broken samples, gd Foss.porosity

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Smith "B" #1
Drilling Report
Page - Two

11/23/04 Drilling ahead at 4362' at 7:00 a.m. Results DST #1 : 4234-4257 (Massy). Times: 30-60-30-60. 1st opening: weak blow, building in 6". 2nd opening: weak blow throughout. Recovered 60' SLOCM & 60' GIP. IHP: 2134, IFP: 21-33, ISIP: 1223, FFP: 35-45, FSIP: 1073 - building, FHP: 2053. BHT: 126 degrees. Loggers to be on location @ 3:00 p.m. Currently drilling at 4401' at 11:00 a.m. Will TD @ 4424'.

11/24/04 Drilling at 4530' at 7:00 a.m. Drilled to 4400'. Rigged up ELI - logged - discovered the upper Miss. Chert missing - making us 35' high to the old producer located in the NE NE of Section 21. Decided to drill to the Simpson Sandstone due to our structural position. We are currently drilling 4540 -2919, have not found the Simpson Sandstone as of 4530'. The old producer Simpson Sandstone was -2910.

UPDATE: Drilled to 4540' - had Simpson Shale in samples - no sand. Due to our low structural position due to the thickening in the Viola, we will plug the well.

Plugging Information as follows: Received plugging orders at 8:30 a.m. on 11/23/04 (Steve Middleton). Plugged with heavy mud in hole and between all plugs using 125 sx 60/40 poz 6% gel. Bottom plug at 650' - 50 sx, 2nd plug at 370' - 50 sx, 3rd plug @ 40' - 10 sx - cemented to surface. Plugged rathole with 15 sx. Plug down at 7:30 p.m. on 11/24/04 by Allied Cementing. Ticket #20294. Sterling reported plugging to KCC 11/29/04.

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ALLIED CEMENTING CO., INC. 20294

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REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67605

SERVICE POINT:
M.L.

DATE 11-24-04	SEC 16	TWP. 81s	RANGE 13w	CALLED OUT 5:30 pm	ON LOCATION 5:30 pm	JOB START 6:45 pm	JOB FINISH 7:45 pm
LEASE Smith	WELL # B-1	LOCATION Lake City Rd. to Forest City Rd. 1/2 north to loc.		COUNTY Barber	STATE KS		
OLD OR (NEW) (Circle one)							

6.3
all T

CONTRACTOR Sterling #1
 TYPE OF JOB Rotary Plug
 HOLE SIZE 7 7/8" T.D. 1650'
 CASING SIZE 2 5/8" DEPTH 332'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2" DEPTH 1650'
 TOOL _____ DEPTH _____
 PRES. MAX 100 MINIMUM 50
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS _____
 DISPLACEMENT _____

OWNER American Energies

CEMENT
 AMOUNT ORDERED 125 sk 60' dia 10' agal
 COMMON 75 a @ 7.85 588.75
 POZMIX 50 @ 4.10 205.00
 GEL 7 @ 11.00 77.00
 CHLORIDE _____
 ASC _____

EQUIPMENT

PUMP TRUCK CEMENTER Mike Rucker
 # 372 HELPER Darin Franklin
 BULK TRUCK
 # 364 DRIVER Josh McDowell
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

1st Plug 1650' 6 1/2" mix 50 sk x 60:40:10 @
 13.8 weight Displace
 2nd Plug 570' 7 7/8" mix 50 sk x 60:40:10 @
 13.8 weight Displace
 3rd Plug 140' 7 1/2" mix 10 sk x 60:40:10 @
 13.8 weight Displace
 mix 15 sk Rathole, 7th pm

SERVICE

DEPTH OF JOB 1650'
 PUMP TRUCK CHARGE _____ 570.00
 EXTRA PORTAGE _____
 MILEAGE 9 @ 4.00 36.00
 MANIFOLD _____

CHARGE TO: American Energies

STREET _____
 CITY _____ STATE _____ ZIP _____

TOTAL 606.00

PLUG & FLOAT EQUIPMENT

NONE
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____

TOTAL 1804.95

TAX _____
 TOTAL CHARGE 1804.95
 DISCOUNT 180.49 IF PAID IN 30 DAYS

Mr. Gary Pugh
 PRINTED NAME

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870.15

934.20

1804.95

113.72

1918.67

S 934.20

M 870.15

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]

ALLIED CEMENTING CO., INC. 18138

Federal Tax I.D.#

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

NOV 30 2004

SERVICE POINT:

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Medicine Lodge

DATE <i>11-15-04</i>	SEC. <i>16</i>	TWP. <i>31s</i>	RANGE <i>13w</i>	CALLED OUT <i>5:30 AM</i>	ON LOCATION <i>3:45 PM</i>	JOB START <i>7:15 PM</i>	JOB FINISH <i>7:30 PM</i>
LEASE <i>Smith</i>		WELL # <i>B-1</i>		LOCATION <i>Lake City Rd + forest</i>		COUNTY <i>Barber</i>	STATE <i>Ks.</i>
OLD OR NEW (Circle one) <input checked="" type="checkbox"/> OLD				<i>City Rd 1 1/2 N</i>			

CONTRACTOR *Sterling #1*

TYPE OF JOB *surface*

HOLE SIZE *12 1/4* T.D. *333'*

CASING SIZE *8 1/8 x 2 1/4* DEPTH *332'*

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX *250* MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. *15'*

PERFS. _____

DISPLACEMENT *20 Bbls*

OWNER *American Energies*

CEMENT AMOUNT ORDERED *220 sx 60:40:2+3% cc*

COMMON	<i>132</i>	<i>A</i>	@	<i>7.85</i>	<i>1036.20</i>
POZMIX	<i>88</i>		@	<i>4.10</i>	<i>360.80</i>
GEL	<i>4</i>		@	<i>11.00</i>	<i>44.00</i>
CHLORIDE	<i>7</i>		@	<i>33.00</i>	<i>231.00</i>
ASC			@		

EQUIPMENT

MP TRUCK # <i>352</i>	CEMENTER <i>Carl Balding</i>
BULK TRUCK # <i>242</i>	HELPER <i>Tracy Ashinbery</i>
BULK TRUCK # _____	DRIVER <i>Terry Cushinbery</i>
BULK TRUCK # _____	DRIVER _____

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HANDLING	<i>231</i>	@	<i>1.35</i>	<i>311.85</i>
MILEAGE	<i>min chg</i>			<i>150.00</i>
TOTAL				<i>2133.85</i>

REMARKS:

Run 332 8 1/8

Break circulation

Mix 220 sx 60:40:2+3% cc

Release plug

Displace with 20 Bbls water

Shut in casing

leave 15' cement in pipe, circulate 50 sx to pit

SERVICE

DEPTH OF JOB	<i>332'</i>			
PUMP TRUCK CHARGE	<i>0-300'</i>			<i>570.00</i>
EXTRA FOOTAGE	<i>32'</i>	@	<i>1.50</i>	<i>16.00</i>
MILEAGE	<i>9</i>	@	<i>4.00</i>	<i>36.00</i>
		@		
		@		
		@		

TOTAL *622.00*

CHARGE TO: *American Energies*

STREET _____

TY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

MANIFOLD <i>Wood Avg</i>	@	<i>55.00</i>	<i>55.00</i>
	@		
	@		
	@		
	@		
TOTAL			<i>55.00</i>

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 *Gary Ryzel* ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING

PRINTED NAME _____