

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, Kansas 67202
Purchaser: Oneok
Operator Contact Person: Alan L. DeGood, President
Phone: (316) 263-5785
Contractor: Name: DEC 19 2001
License: KCC WICHITA
Wellsite Geologist: _____

API No. 15 - 095-21,512-0001
County: Kingman
NW SE SE Sec. 32 Twp. 27 S. R. 6W East West
1015 feet from (S) N (circle one) Line of Section
720 feet from (E) W (circle one) Line of Section

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

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: M & R Farms Well #: 1A
Field Name: Georgia Spur NE
Producing Formation: Miss. Chert
Elevation: Ground: 1545 Kelly Bushing: 1550
Total Depth: 4296 Plug Back Total Depth: 3960
Amount of Surface Pipe Set and Cemented at 207 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/ _____ sx cmt.

If Workover/Re-entry: Old Well Info as follows:
Operator: Pickrell Drilling Co.
Well Name: M & R Farms #1
Original Comp. Date: 1/04/85 Original Total Depth: 4296
 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. _____
10/15/01 10/22/01 10/15/01
Spud Date or Date Reached TD Completion Date or Recompletion Date

Drilling Fluid Management Plan OWWO RGR 8/07/07
(Data must be collected from the Reserve Pit)
Chloride content 58,000 ppm Fluid volume 1,200 bbls
Dewatering method used Evaporation and backfill
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: 11/13/01
Subscribed and sworn to before me this 13th day of November
19 2001
Notary Public: Melinda S. Wooten
Date Commission Expires: 3-12-04



KCC Office Use ONLY
 Letter of Confidentiality Attached
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

Operator Name: American Energies Corporation Lease Name: M & R Farms Well #: 1A
 Sec. 32 Twp. 27 S. R. 6 East West County: Kingman

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:

Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
Heebner	2876	-1326
Lansing	3140	-1590
Mississippi	3874	-2324
Kinderhook	4172	-2622
Viola	4271	-2721
T.D.	4296	-2746

CASING RECORD <input type="checkbox"/> New <input checked="" 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	# Sacjs Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	20#	207	60-40 poz	170	None
Production	7 7/8"	4 1/2"	9.5#	3988	ASC	140	None

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input checked="" type="checkbox"/> Perforate	3880-3886			
<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
2 SPF	3880-3886	250 gallons 10% HCL	
		20,000# Sand, 495 bbls gelled	
		water	

TUBING RECORD				Liner Run
Size	Set At	Packer At		<input type="checkbox"/> Yes <input type="checkbox"/> No
2 3/8"	3854	3854		
Date of First, Resumerd Production, SWD or Enhr.		Producing Method		
11/10/01		<input checked="" 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
		300	80	

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

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

Production Interval **3880-3886**

ALLIED CEMENTING CO., INC.

P.O. BOX 3
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566

 * INVOICE *
ORIGINAL *****

RECEIVED

DEC 19 2001

KCC WICHITA

Invoice Number: 085723

Invoice Date: 10/25/01

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

Cust I.D.....: Am Eng
 P.O. Number...: M&R Farms A-1
 P.O. Date.....: 10/25/01

Due Date.: 11/24/01
 Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
ASC	140.00	SKS	8.5000	1190.00	E
KolSeal	700.00	LBS	0.5000	350.00	E
ASF	1000.00	GAL	1.0000	1000.00	E
Handling	179.00	SKS	1.1000	196.90	E
Mileage (45)	45.00	MILE	7.1600	322.20	E
179 sks @\$.04 per sk per mi					
Production Casing	1.00	JOB	1130.0000	1130.00	E
Mileage pmp trk	45.00	MILE	3.0000	135.00	E
Rubber plug	1.00	EACH	48.0000	48.00	E
Guide Shoe	1.00	EACH	125.0000	125.00	E
AFU Insert	1.00	EACH	210.0000	210.00	E
Basket	1.00	EACH	116.0000	116.00	E
Centralizers	4.00	EACH	45.0000	180.00	E

All Prices Are Net, Payable 30 Days Following
 Date of Invoice. 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of \$ 500.31
 ONLY if paid within 30 days from Invoice Date

Subtotal:	5003.10
Tax.....:	0.00
Payments:	0.00
Total....:	5003.10

ALLIED CEMENTING CO., INC. 08702

Federal Tax I.D.#

ORIGINAL

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

SERVICE POINT:

Medicine L.D.C.

DATE 10-16-01	SEC 32	TWP. 27S	RANGE 6W	CALLED OUT 3:00 P.M.	ON LOCATION 6:30 P.M.	JOB START 11:25 P.M.	JOB FINISH 12:05 A.M.
LEASE M+R Farms	WELL # A-1	LOCATION 64 + Galesburg Ex. T			COUNTY Kingman	STATE KS	
OLD OR NEW (Circle one)		725 WINTO					

CONTRACTOR Pickrell Dng. Co.
 TYPE OF JOB Prod. Csg.
 HOLE SIZE 7 7/8 T.D. 4006
 CASING SIZE 4 1/2 DEPTH 3984.76
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 DEPTH 4006
 TOOL _____ DEPTH _____
 PRES. MAX 600 MINIMUM 250
 MEAS. LINE _____ SHOE JOINT 26.87
 CEMENT LEFT IN CSG. 26.87 FT
 PERFS. _____
 DISPLACEMENT Fresh H₂O 60 BBL

EQUIPMENT

PUMP TRUCK CEMENTER David W
 # 302 HELPER Steve D.
 BULK TRUCK _____
 # 342 DRIVER Lannie W.
 BULK TRUCK _____
 # _____ DRIVER _____

OWNER American Energies Corp

CEMENT

AMOUNT ORDERED 1405x ASC + 5 #
Kol Seal

COMMON	_____	@	_____	_____
POZMIX	_____	@	_____	_____
GEL	_____	@	_____	_____
CHLORIDE	_____	@	_____	_____
ASC	<u>140</u>	@	<u>8.50</u>	<u>1190.00</u>
KOL-SEAL	<u>700 #</u>	@	<u>.50</u>	<u>350.00</u>
ASF	<u>1000 BALS</u>	@	<u>1.00</u>	<u>1000.00</u>
_____	_____	@	_____	_____
_____	_____	@	_____	_____
HANDLING	<u>179</u>	@	<u>1.10</u>	<u>196.90</u>
MILEAGE	<u>179 x 45</u>	@	<u>.04</u>	<u>322.20</u>

RECEIVED

DEC 19 2001

TOTAL 3059.10

REMARKS:

Pipe on Bottom Break Circ
 Pump 20 BBL ASF Plug Rat
 Pump 725x ASC + 5 # Kol-seal
 Stop Pump Wash Pump Lines
 Displace w/ Fresh H₂O
 Pump Plug
 Float Did Not Hold

DEPTH OF JOB 3984.76

PUMP TRUCK CHARGE	_____			<u>1130.00</u>
EXTRA FOOTAGE	_____	@	_____	_____
MILEAGE	<u>45</u>	@	<u>3.00</u>	<u>135.00</u>
PLUG RUBBER <u>4 1/2"</u>	_____	@	<u>48.00</u>	<u>48.00</u>
_____	_____	@	_____	_____
_____	_____	@	_____	_____

TOTAL 1313.00

CHARGE TO: American Energies Corp.
 STREET _____
 CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

1-Guide Shoe	@	<u>125.00</u>	<u>125.00</u>
1-AFU IN SCPT	@	<u>210.00</u>	<u>210.00</u>
1-BASKET	@	<u>116.00</u>	<u>116.00</u>
4-Cent Pq/zers	@	<u>45.00</u>	<u>180.00</u>
_____	@	_____	_____

TOTAL 631.00

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 5003.10
 DISCOUNT 500.31 IF PAID IN 30 DAYS

SIGNATURE X [Signature]

X [Signature]
 PRINTED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions [redacted] 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.