

STATE CORPORATION COMMISSION OF KANSAS  
OIL & GAS CONSERVATION DIVISION  
WELL COMPLETION FORM  
ACO-1 WELL HISTORY  
DESCRIPTION OF WELL AND LEASE

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: 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: \_\_\_\_\_

Comp. Date \_\_\_\_\_ Old Total D \_\_\_\_\_

Deepening  Re-perf.  Core to Inj/SWD  
 Plug Back  PBD  
 Commingled  Docket No. \_\_\_\_\_  
 Dual Completion  Docket No. \_\_\_\_\_  
 Other (SWD or Inj?)  Docket No. \_\_\_\_\_

9/28/00 10/4/00 10/5/00  
Spud Date Date Reached TD Completion Date

API NO. 15- 163-23,310-0000

County Rooks

NW - NE - SE - SW Sec. 29 Twp. 9S Rge. 20W

1480 Feet from S  (circle one) Line of Section

2180 Feet from E  (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
NE, SE,  NW or SW (circle one)

Lease Name Graham "A" Well # 1

Field Name Kern West

Producing Formation Arbuckle

Elevation: Ground 2275 KB 2283

Total Depth 3930 PBD \_\_\_\_\_

Amount of Surface Pipe Set and Cemented at 276.65 Feet

Multiple Stage Cementing Collar Used?  Yes  No

If yes, show depth set 1814 Feet

If Alternate III completion, cement circulated from 1814

feet depth to Surface w/ 400 sx cnt.

Drilling Fluid Management Plan ALT 2 KJR 7/12/07  
(Data must be collected from the Reserve Pit)

Chloride content 19,000 ppm Fluid volume 160 bbl.

Dewatering method used Evaporation

Location of fluid disposal if hauled offsite: \_\_\_\_\_

Operator Name \_\_\_\_\_

Lease Name \_\_\_\_\_ License No. \_\_\_\_\_

Quarter Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S Rng. \_\_\_\_\_ E/W

County \_\_\_\_\_ Docket No. \_\_\_\_\_

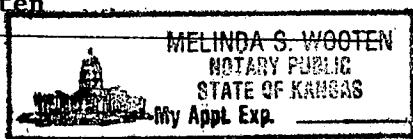
INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 200 Colorado Derby Building, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information on 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 11/02/00

Subscribed and sworn to before me this 2nd day of November, 19 2000

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



K.C.C. OFFICE USE ONLY  
F  Letter of Confidentiality Attached  
C  Wireline Log Received  
C  Geologist Report Received  
Distribution  
KCC  SWD/Rep  NGPA  
KGS  Plug  Other (Specify)

Operator Name AMERICAN ENERGIES CORPORATION Lease Name Graham "A" Well # 1

Sec. 29 Twp. 9S Rge. 20W  East  West County Rooks

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all drill stem 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 during test. Attach extra sheet if more space is needed. Attach copy of log.

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.)  
 List All E.Logs Run:  
 Micro Log  
 Compensated Density/Neutron Log  
 Dual Induction Log  
 Sonic Log, Gamma Ray Collar Log

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

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	# Sacks Used	Type and Percent Additives
Surface Pipe	12 1/4	8 5/8	20	276.65	60/40Poz	170	2%Gel&3%CC
Production St.	7 7/8	5 1/2	14	3928	ASC	125	5#Gel&2%Ge
			DV Tool @	1814	60/40Poz	400	6%Gel&1/4#FC

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
2 SPF	3850-3860'	500 gal 15% acid, 50 bbls KCL water 750 gal MCA acid

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
122 jts	2 3/8"	3855' with seating nipple		
Date of First, Resumed Production, SWD or Inj.	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
10/19/00				
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity
	20 BO	-0-	75 BW	

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 GRAHAM A-1

**LOCATION:** NW NE SE NW Section 29-T9S-R20W      **SURFACE CASING:** 6 jts 20# used  
8 5/8" set @ 276.65'

**COUNTY:** Rooks County, Kansas      **PRODUCTION CASING:**

**CONTRACTOR:** Discovery Drilling      **G.L.:** 2275      **K.B.:** 2283

**GEOLOGIST:** Doug Davis      **SPUD DATE:** 09/28/00  
**COMPLETION DATE:**

**NOTIFY:** Bob O'Dell (Fax: 265-1013)

**NOTIFY:** Mull Drilling Company, Inc.

**PHONE:** 264-6366

**FAX:** 264-6440

**LOG FAX:** 264-6432

**AFTER HOURS**

**PHONE:** Rick Saenger 775-5674 (Mobile: 651-7704)

**REFERENCE WELLS:**

#1 Lambert - NW SW NE 29-9S-20W (Damar)

#2 Kern D #1 - SE SW NE 29-9S-20W (Pet. Inc.)

#3 Lambert - NE SW NE 29-9S-20W (Sou. St.)

#4 Graham - NW SE NW 29-9S-20W (Res. Dr.)

FORMATION:	SAMPLE LOG:	COMPARISON:	ELECTRIC LOG TOPS:
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			#1	#2	#3	#4	
Top Anhydrite	1791 +489		-9	-15	-21	-12	1791 +492
Base Anhydrite	1829 +451		-12	-17			1827 +456
Wabaunsee	3075 -795			-3			3070 -787
Topeka	3318 -1038		+7	+4	+2		3319 -1036
Queen Hill Shale	3469 -1189		+5	-1	+4		3467 -1184
Oread	3475 -1195		+7	+2	+2		3475 -1192
Heebner	3528 -1248		+10	+2	+1	-4	3528 -1245
Toronto	3549 -1269		+11	+3	+2	-3	3549 -1266
Lansing "A"	3567 -1287		+10	+2	+1	-3	3566 -1283
Lansing "D"	3607 -1327		+11	+1	+2	-3	3606 -1323
Lansing "F"	3643 -1363		+9	+1	-2	-3	3640 -1357
Base/Kansas City	3784 -1508		+8	0	-4	-15	3785 -1506
Arbuckle	3853 -1573		+41	+26	+14	+4	3849 -1566
RTD & LTD	3930						

09/28/00 MIRT Spud 12¼" @ 2:45 PM 9/28/00. Ran 6 Joints Used 20# 8 5/8". Casing Tally 266.65'. Set @ 276.65. Cement by Allied Cementing W/170 sks 60/40POZ 2% Gel & 3% CC (Did Circ) Completed @ 8:15PM. Survey @ 278' (¼°).

09/29/00 Drilling at 338' at 7:00 a.m.

09/30/00 Drilling at 2275' at 7:00 a.m.

10/01/00 Drilling at 2915' at 7:00 a.m.

J-1 10/02/00 Drilling at 3392' at 7:00 a.m., 4:00 p.m. drilling at 3485'.

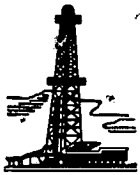
10/03/00 Tripping-in hole after DST #1 @ 3650', DST #1 3590'-3650', (Lansing D,E,F) Times 30-45-30-45, 1st & 2nd opening wk blow ½", Rec. 40' Drlg Mud /oil spks, IFP 20-27, ISIP 883, FFP 34-40, FSIP 862, IHP 1782, FHP 1756, BHT 104

10/04/00 Testing @ 3869'. DST #2: 3854-3869', Arbuckle, Times: 30-60-45-75. 1st Opening: Weak blow building to strong blow off bottom in 15". Weak blow back during 1st shutin. Results DST #2: recovered 447' TF, 231' GIP, 370' CGO (10% gas, 90% oil), 77' MCO (80% oil, 20% mud). IFP: 25-87, ISIP: 1157#, FFP: 98-177, FSIP: 1137#, IHP: 1933, FHP: 1907, BHT: 115°.

10/05/00 Laying down drill pipe at 7:00 a.m. Drilled to 3930' RTD, Rigged up ELI and logged.

10/06/00 WOC, Ran 100 jts. Used difted & tested 14# 5 ½" csg., set at 3924' (PBSD @ 3915') 7 centralizers & DV tool @ 1800'. Allied cmtd 1st stage w500 gals mud flush, 125 sx ASC 2% gel & 5# KDL seal per sx, plug down at 12:00 P.M., Open DV tool & cmtd w 400/ sx of 60/40 Poz, 6% gel ¼# Floseal per sx, cmt plug down at 1:00 P.M., cmt did cir.

COMPLETION REPORT TO FOLLOW



# Discovery Drilling

P.O. Box 763 • Hays, KS 67601 • OFFICE (913) 623-2920 • CELLULAR (913) 635-1511

ORIGINAL

## DRILLER'S LOG

Operator: **American Energies Corporation**  
155 North Market, Suite 710  
Wichita, KS 67202

Contractor: **Discovery Drilling Co., Inc.**  
P.O. Box 763  
Hays, KS 67601

Lease: Graham "A" #1

Location: NE/SE/NW  
Sec. 29/9S/20W  
Rooks Co., KS

Loggers Total Depth: 3930'

Rotary Total Depth: 3930'

Commenced: 9/28/00

Casing: 8 5/8" @ 276.65 w/ 170 sks

5 1/2 @ 3928' w/125 sks

DV @ 1814' w/400 sks

Elevation: 2275' Gr. / 2283' KB

Completed: 10/5/00

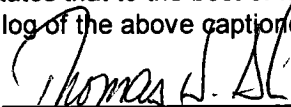
Status: Oil Well

### DEPTHS & FORMATIONS (All from KB)

Surface, Sand & Shale	0'	Shales	1829'
Dakota Sand	917'	Shales & Lime	2293'
Shale	1050'	Shales	2564'
Cedar Hill Sand	1248'	Shales & Lime	2830'
Red Bed Shale	1525'	Lime & Shale	3353'
Anhydrite	1791'	RTD	3930'
Base Anhydrite	1829'		

STATE OF KANSAS   )  
                                      ) ss  
COUNTY OF ELLIS   )

Thomas H. Alm of Discovery Drilling states that to the best of his knowledge the above and foregoing is a true and correct log of the above captioned well.

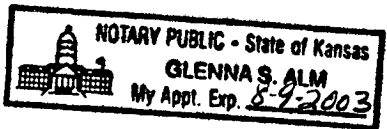
  
\_\_\_\_\_  
Thomas H. Alm

Subscribed and sworn to before me on 10-7-00

My Commission expires: 8-9-2003

(Place stamp or seal below)

  
\_\_\_\_\_  
Notary Public



RECEIVED  
STATE CORPORATION COMMISSION  
4 2000  
CONSERVATION DIVISION  
Wichita, Kansas

**ALLIED CEMENTING CO., INC.**

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

\*\*\*ORIGINAL\*\*\*

\* INVOICE \*

Invoice Number: 082408

Invoice Date: 10/05/00

*ADD*  
 30-01

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

Due Date.: 11/04/00  
 Terms.....: Net 30

Cust I.D.....: Am Eng  
 P.O. Number...: Graham A-1  
 P.O. Date.....: 10/05/00

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
ASC	125.00	SKS	8.2000	1025.00	E
WFR-2	500.00	GAL	1.0000	500.00	E
Gilsonite	588.00	LBS	0.3800	223.44	E
Handling	138.00	SKS	1.0500	144.90	E
Mileage (64)	64.00	MILE	5.5200	353.28	E
138 sks @\$.04 per sk per mi					
Top Stage	1.00	JOB	1080.0000	1080.00	E
Mileage pmp trk	64.00	MILE	3.0000	192.00	E
Guide Shoe	1.00	EACH	150.0000	150.00	E
AFU Insert	1.00	EACH	235.0000	235.00	E
Basket	1.00	EACH	128.0000	128.00	E
DV Tool	1.00	EACH	3300.0000	3300.00	E
Centralizers	7.00	EACH	50.0000	350.00	E

All Prices Are Net, Payable 30 Days Following  
 Date of Invoice. 1 1/2% Charged Thereafter.  
 If Account CURRENT take Discount of \$268.17  
 ONLY if paid within 30 days from Invoice Date

Subtotal: 7681.62  
 Tax.....: 0.00  
 Payments: 0.00  
 Total....: 7681.62

# ALLIED CEMENTING CO., INC. 5016

ORIGINAL

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

SERVICE POINT:

R

DATE <u>10-5-00</u>	SEC <u>29</u>	TWP. <u>9</u>	RANGE <u>20</u>	CALLED OUT	ON LOCATION <u>6:30 AM</u>	JOB START <u>11:20 AM</u>	JOB FINISH <u>12:00 PM</u>
LEASE <u>Graham</u>		WELL # <u>A-1</u>	LOCATION <u>Polca Sw 4 S</u>		COUNTY <u>Rawls</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Discovery Dily

TYPE OF JOB 2 stage (Top)

HOLE SIZE 7 7/8 T.D. 3930

CASING SIZE 5 1/2 DEPTH 3924

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH 1814

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT 12'

CEMENT LEFT IN CSG.

PERFS.

DISPLACEMENT

OWNER SAME

CEMENT

AMOUNT ORDERED 125 ASC 2% gel

5% gel

500 gal WFR-2

COMMON	@		
POZMIX	@		
GEL	@		
CHLORIDE	@		
ASC	125	@	8.20 = 1025.00
WFR-2	500 gals	@	1.00 = 500.00
Gelignite	588#	@	38¢ = 223.44
		@	
		@	
HANDLING	138	@	1.05 = 144.90
MILEAGE	44/SK	/MILE	353.28
TOTAL			2246.62

EQUIPMENT

153

PUMP TRUCK # 153 CEMENTER Dave HELPER Paul

BULK TRUCK # 213 DRIVER Bill

BULK TRUCK # 254 DRIVER Shane

REMARKS:

Floats Held

SERVICE

DEPTH OF JOB		
PUMP TRUCK CHARGE		1080.00
EXTRA FOOTAGE	@	
MILEAGE	64	@ 3.00 = 192.00
PLUG	@	
	@	
	@	
TOTAL		1272.00

CHARGE TO: American Energies Corp.

STREET \_\_\_\_\_

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

FLOAT EQUIPMENT

52

1 Guide Shoe	@	150.00
1 AFH Insert	@	235.00
1 Basket	@	128.00
1 DU Tool	@	330.00
2 Cent.	@	50.00 = 350.00

To Allied Cementing Co., Inc.  
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or

TOTAL 4163.00

# 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:

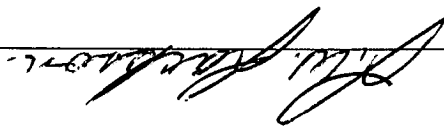
(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(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

PRINTED NAME

\_\_\_\_\_



SIGNATURE

DISCOUNT IF PAID IN 30 DAYS \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

TAX \_\_\_\_\_

done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

ALLIED CEMENTING CO., INC.

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

ORIGINAL

INVOICE

Invoice Number: 082407

Invoice Date: 10/05/00

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

Cust I.D.....: Am Eng  
P.O. Number...: Graham A-1  
P.O. Date.....: 10/05/00

Due Date.: 11/04/00  
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	240.00	SKS	6.3500	1524.00	E
Pozmix	160.00	SKS	3.2500	520.00	E
Gel	21.00	SKS	9.5000	199.50	E
FloSeal	100.00	LBS	1.1500	115.00	E
Handling	425.00	SKS	1.0500	446.25	E
Mileage (64)	64.00	MILE	17.0000	1088.00	E
425 sks @ \$1.04 per sk per mi					
Bottom Stage	1.00	JOB	580.0000	580.00	E

All Prices Are Net, Payable 30 Days Following  
Date of Invoice. 1 1/2% Charged Thereafter.  
If Account CURRENT take Discount of \$447.28  
ONLY if paid within 30 days from Invoice Date

Subtotal: 4472.75  
Tax.....: 0.00  
Payments: 0.00  
Total...: 4472.75



# ALLIED CEMENTING CO., INC.

5017

ORIGINAL

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

SERVICE POINT: R

DATE <u>10-3-00</u>	SEC. <u>29</u>	TWP. <u>9</u>	RANGE <u>20</u>	CALLED OUT	ON LOCATION	JOB START	JOB FINISH <u>1:25 PM</u>
LEASE <u>Graham</u>		WELL# <u>N-1</u>	LOCATION <u>Palco NW 1/4s</u>		COUNTY <u>Rooks</u>	STATE <u>Ks</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Discovery Drllg

TYPE OF JOB 2 stage (Bottom)

HOLE SIZE 7 7/8 T.D. 3930

CASING SIZE 5 1/2 DEPTH

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH 1814

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT 12'

CEMENT LEFT IN CSG.

PERFS.

DISPLACEMENT 43 BBL

OWNER

CEMENT

AMOUNT ORDERED 400 <sup>60</sup>/<sub>40</sub> 6/9 gal

1/4 lb flow seal

COMMON	<u>240</u>	@	<u>6.35</u>	<u>1524.00</u>
POZMIX	<u>160</u>	@	<u>3.25</u>	<u>520.00</u>
GEL	<u>21</u>	@	<u>9.50</u>	<u>199.50</u>
CHLORIDE		@		
		@		
<u>Flow seal</u>	<u>100</u>	@	<u>1.15</u>	<u>115.00</u>
		@		
		@		
HANDLING	<u>425</u>	@	<u>1.05</u>	<u>446.25</u>
MILEAGE	<u>4 1/2 / 54</u>	@	<u>1.00</u>	<u>1088.00</u>
TOTAL				<u>3892.75</u>

EQUIPMENT

153 Dave

PUMP TRUCK CEMENTER Paul

# HELPER

BULK TRUCK

# 213 DRIVER Bill

BULK TRUCK

# 254 DRIVER Shane

REMARKS:

plug Rod hole w/ 15 sk

mouse hole 10 sk

Cement Cir witness by

Dave Fish Cementer

Tom Ah Tool pusher

Paul Man

SERVICE

DEPTH OF JOB

PUMP TRUCK CHARGE 590.00

EXTRA FOOTAGE @

MILEAGE @

PLUG @

@

@

TOTAL 590.00

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 [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.