

ORIGINAL

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 5399
Name: American Energies Corporation
Address: 155 North Market, Suite 710
City/State/Zip: Wichita, KS 67202
Purchaser: American Energies Pipeline, LLC
Operator Contact Person: Alan L. DeGood
Phone: (316) (316) 263-5785
Contractor: Name: Pickrell Drilling
License: 5123
Wellsite Geologist: Douglas Davis
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: Et. Al. Inc.
Well Name: #2 Freemyer - 15-095-20191-0000

Original Comp. Date: 12/31/69 Original Total Depth: 3121'

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. _____

10/30/06 11/04/06 12/5/06
Spud Date or Date Reached TD Completion Date or Recompletion Date

API NO. 15 - 15-095-20191-0001

County: Kingman

NW SE
200 SE - SW - SE Sec. 20 S. R. 27-6W East West

495 feet from (S) N (circle one) Line of Section

1815 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE (SE) NW SW

Lease Name: Moran Well #: #1-20

Field Name: Wildcat

Producing Formation: Mississippian

Elevation: Ground: 1539' Kelly Bushing: 1544'

Total Depth: 3886' Plug Back Total Depth: 3886'

Amount of Surface Pipe Set and Cemented at 8 5/8" 23# set @ 251' 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.

Drilling Fluid Management Plan WD NH 6-27-08
(Data must be collected from the Reserve Pit)

Chloride content 8000 ppm Fluid volume 1800 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 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: 2/13/07

Subscribed and sworn to before me this 13th day of February

2007

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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CONSERVATION DIVISION
WICHITA, KS

MELINDA S. WOOTEN
Notary Public - State of Kansas
My Aqst. Expires 3-12-08



Operator Name: American Energies Corporation Lease Name: Moran Well: 1-20 OWWO
 Sec. 20 Twp. 27 S. R. 6 Vest County: Kingman

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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Attach Additional Sheets) Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run Yes No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Submit Copy) List All E. Logs Run: Dual Induction, Compensated Neutron Density, Sonic Cement Bond Log	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum Name Top <input checked="" type="checkbox"/> Sample Datum 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#	251'	60/40 poz	225	2% gel, 3% CC
Production	7 7/8"	4 1/2"	10.5#	3885'	ASC	210	5# KC and 5% FL

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate	Top Bottom			
<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
4 SPF	3824-3827	750 gallons 15% FE	3815'

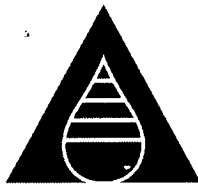
TUBING RECORD	Size <u>2 3/8"</u>	Set At <u>3823'</u>	Packer At <u>3815'</u>	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr.	Producing Method <input checked="" type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Waiting on right of way to lay water and gas lines.	Estimated Production Per 24 Hours	Oil Bbls <u>0</u>	Gas Mcf est. <u>100</u>	Water Bbls <u>2</u> Gas-Oil Ratio Gravity

Disposition of Gas Vented Open Hole Other Specify Dually Comp. Commingled

(If vented, Sumit ACO-18.)

PLEASE NOTE - WAITING ON RIGHT-OF-WAY TO LAY WATER AND GAS LINES.
 WELL SHOULD BE PRODUCING BY 3/1/07.

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 WICHITA, KS



American Energies
Corporation

155 N. Market, Suite 710, Wichita, KS 67202
316-263-5785, 316-263-1851 fax

DRILLING REPORT
Moran #1-20

LOCATION: 200' SE of C SW SE, Sec. 20-T27S-R6W
COUNTY: Kingman
API: 15-095-20191-0001
CONTRACTOR: Pickrell Drilling
GEOLOGIST: Doug Davis

SURFACE CASING: 8 5/8"
PRODUCTION CASING:
PROJECTED RTD: 3950'
G.L.: 1539' **K.B.:** 1544
SPUD DATE: 10/30/06
COMPLETION DATE:
REFERENCE WELL:
#1: Rupp-Ferguson #1 Freemeyer
C SW SE Section 20-T27S-R6W

NOTIFY: American Energies Corp,
Dianne Y. DeGood Family Trust,
Gar Oil Corp., Hyde Resources, Inc.,
Lario Oil, Spring Creek Resources, Inc.,
Stump Rev. Trust, R&B Oil & Gas,
R & T Investments, Graves Leases, LLC,

FORMATION:	SAMPLE LOG:	COMPARISON:	ELECTRIC LOG TOPS:	COMPARISON:
		#1		#1
Onaga Shale			1895 -351	
Ind. Cave. SS			1909 -365	
Wabaunsee			1942 -398	
Heebner Sh.			2838 -1294	
Toronto			2848 -1304	
Douglas Sh.			2866 -1322	
Up. Doug SS	Open hole down to 3121'		2916 -1372	-3
L. Doug. SS			2974 -1430	-9
Brown LS			3074 -1530	Flat
Layton			3083 -1539	-1
Lansing	3099 -1554	+1	3099 -1555	-1
Dennis I	3428 -1884	Flat	3430 -1886	-2
Stark Shale	3458 -1914'	-1	3458 -1914	-1
Swope	3462 -1918	-3	3464 -1920	-2
Hush Sh.	3499 -1955		3499 -1955	-2
Hertha LS	3503 -1959		3502 -1958	-1
B/Kansas City	3559 -2015	-2	3560 -2016	-3
Marmaton	3597 -2053	-6	3596 -2052	-5
Pawnee	3649 -2105	-2	3648 -2104	-1
Ft. Scott	3676 -2132	-4	3677 -2133	-5
Cher. Sh.	3699 -2155	-2	3701 -2157	-4
Mississippian	3825 -2281	-4	3824 -2280	-3
Miss. Lm	3872 -2328	-3	3872 -2328	-3
RTD	3886			
LTD	3886			

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- 10/30/06 MIRT Pickrell Rig 1. Spud well, washdown to 2406’.
- 10/31/06 Washing well down at 2406’, drilled out all cement plugs.
- 11/01/06 Washdown to old TD 3121’. Drilling new hole @ 3240’, mixed and displaced mud from 3:45 PM to 12:45 AM. Started drilling new hole at 12:45 AM 11/01/06.
- 11/02/06 Drilling ahead at 3635’. Mud Check: 9#, 50 Visc., 9.2 W.L., 3,600 Chlorides
- 11/03/06 Rotary at 3846’
- 11/03/06 2nd report 4:18 p.m.
DST #1 3830-46’ Mississippian
Times 30-60-45-75
1st Open: Off Bottom of Bucket in 4 min.
GTS in 6 min.
Built to 10-30 mcf in 30 min.
2nd Open: Strong Blow to Surface in 1 minute
Calculates to 70 mcf/day
IFP: 66-102
FFP 102
ISIP 1283
FFP: 102-253
FSIP: 1268
- 11/04/06 RTD: 3886’, LTD: 3886’. LDDP. Ran 86 jts of new and used 10.5# production casing set @ 3885’. Cemented with 210 sx ASC with 5# KC/sx, 5% FL 150 and .07% gas block and defoamer. PD @ 3:30 p.m. on 11/4/06. 15 sx in RH. Allied Ticket #23394. Released rig on 11/6/06. **Final drilling report.** Completion reports will follow when we begin completing well.

COMPLETION INFORMATION

- 12/5/06 Rigged up Shawnee Well Service. Rigged up Log Tech and ran bond log. Perforated **3824 – 3827 with 4 SPF**. Ran in **121 jts 2 3/8” tubing and SN to 3823’**. Started swabbing. Swabbed down to 3300’ and recovered 34 bbls. No show of gas. SION
- 12/6/06 Opening pressures were 550# CP, 110# TP. Opened tubing pressure down to 0# in 1 minute. Went in and tagged fluid @ 2800’ down, pulled swab. Hooked up Jet Star. Circulated hole full and spotted acid at perfs. Started at 500# down to 200#, back to 500# and got 1 bbl in. Took to 700#, down to 400# - back up to 700# and got another barrel in. Took to 800# and started to feed @ 3 BPM, after 1 ½ bbls – 600#, at 3 BPM – treated there – no drop in pressure. SI pressure was 550#, after 5 minutes – 300#, after 10 minutes – 150#. Let sit for 30 minutes, then started swabbing. Total load – 59 bbls.
1st hour - recovered 17 bbls fluid
2nd hour - recovered 13 bbls fluid @ 2000’
3rd hour - recovered 8 bbls fluid @ 2600’
4th hour – recovered 12 bbls fluid @ 3300’
Good blow at swab – next swab – well flowed for 10 minutes.
Swabbed again – fluid static level 2200’ to SN. Pulled swab (casing pressure at 225# now), had 400’ fluid – flowed after swab for 10 minutes. Casing pressure down to 125# - just circulating.
5th hour – recovered 4 bbls – total fluid back now @ 54 bbls – load is 59 bbls. Swabbed again – fluid came out with 50’ fluid – good blow after swab. CP: 150# - SION

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- 12/6/06 Opening pressures: SICP: 1150#, SITP: 610. Hooked up choke and opened choke full. Had fluid in 5 minutes – flowed 2 ½ bbls fluid, set choke @ 12/64.
After 1st hour – 775# CP, 700# TP, Venting 560 MCF – 1 ½ bbls fluid
After 2nd hour – 650# CP, 465# TP, Venting 370 MCF – no fluid
After 3rd hour – 500# CP, 130# TP, Venting 96 MCF – 1 bbl fluid
Opened choke all the way – got 1 bbl fluid. Pulled tubing and ran packer and tubing down to perfs. SION
- 12/8/06 Opening pressures: SICP: 1125#, SITP: 160#. Blow down well and set **packer @ 3815'**
Could not get swab down because of gas. Hooked up Jet Star and started acidizing with 750 gallons 15% FE. Hit fluid @ 12 bbls in, so we had 750' fill overnight. Got acid on bottom – pressure 700#. Started treating at 1.8 BPM @ 800#. After 12 bbls acid – 1.1 BPM @ 750# - stayed there. Flushed with 2 bbls saltwater – ISIP: 600# - after 5 minutes – slight vacuum. Let set for 30minutes and went in with swab and hit fluid – 500' down. Total load – 35 bbls.
1st hour – recovered 16 bbls – good blow after swab – fluid @ 2000' down
2nd hour – recovered 6 bbls – good blow after swab – fluid @ 3500' down – ran another swab and then unhooked to release packer. Had trouble getting it to release.
Went back to swabbing – set for 1 ½ hours – went in and fluid @ 3100' down.
1 ½ hours – recovered additional 12 bbls fluid – casing pressure @ 310#. SION
- 12/11/06 Opening pressures: SICP: 1175#, SITP: 710#. Started flowing well back. Recovered 3 bbl fluid. Had choke malfunction, so went ahead and blew well down. Pulled packer – **ran tubing back in to 3823'**. SION
- 12/12/06 Went in with swab – found fluid 1100' down. Pulled swab from 2200' – well kicked off. Well started flowing. CP: 1000#, TP: 580#,
1st hour – CP: 1000#, TP: 580#, Produced 6 ½ bbls total.
2nd hour – CP: 1000#, TP 700#, Choke freezing off.
3rd hour – CP: 1000#, TP: 670#, Choke still trying to freeze off.
4th hour – CP: 845#, TP: 460#, made ¾ bbl fluid.
5th hour – CP: 800#, TP: 360#, no fluid
6th hour – CP: 825#, TP: 360#, made ¼ bbl fluid
7th hour – CP: 800#, TP: 360#, made 1 bbl fluid
SION
- 12/13/06 Opening pressures: SICP: 1150#, SITP: 750# Rigged off completion unit.
Will start setting surface equipment and laying gas and water lines. Will try and have well connected by the first week in January 2007.
- 02/13/07 Waiting on right-of- way for gas and water lines. Hope to have well up and running by 3/1/07.

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"I and void if...
 of this paragraph...
 amounts owing from...
 the rate of interest...
 should be provided...
 for interest exceeding...
 the completion of the...
 be established...
 "CP" must tender...
 of this contract...
 "Job" relates to...
 in Allied Cementing...

 * INVOICE *

Invoice Number: 105334
 Invoice Date: 11/10/06

ENT'D NOV 17 2006

3001

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

Cust I.D.....: Am Eng
 P.O. Number...: Moran 1-20
 P.O. Date.....: 11/10/06

Due Date.: 12/10/06
 Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
ASC	225.00	SKS	13.1000	2947.50	T
KolSeal	1125.00	LBS	0.7000	787.50	T
FL-160	106.00	LBS	10.6500	1128.90	T
Gas Block	148.00	LBS	8.9000	1317.20	T
DeFoam	32.00	PER	7.2000	230.40	T
ASF	500.00	GAL	1.0000	500.00	T
ClaPro	8.00	GAL	25.0000	200.00	T
Handling	292.00	SKS	1.9000	554.80	E
Mileage	45.00	MILE	26.2800	1182.60	E
292 sks @.09 per sk per mi					
Prod. Casing	1.00	JOB	1610.0000	1610.00	E
Mileage pmp trk	45.00	MILE	6.0000	270.00	E
Head Rental	1.00	PER	100.0000	100.00	E
Rubber Plug	1.00	EACH	55.0000	55.00	T
AFU Insert	1.00	EACH	215.0000	215.00	T
Guide Shoe	1.00	EACH	125.0000	125.00	T
Turbolizers	6.00	EACH	55.0000	330.00	T

All Prices Are Net, Payable 30 Days Following
 Date of Invoice. 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of 1,155.39
 ONLY if paid within 30 days from Invoice Date

Subtotal: 11553.90
 Tax.....: 415.33
 Payments: 0.00
 Total....: 11969.23

10813.84

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CEMENTING CO., INC.

23394

KANSAS 67665

SERVICE POINT:

Med. Hedge

DATE <i>11-4-06</i>	SEC. <i>20</i>	TWP. <i>27s</i>	RANGE <i>06W</i>	CALLED OUT <i>8:00 AM</i>	ON LOCATION <i>10:00 AM</i>	JOB START <i>2:45 PM</i>	JOB FINISH <i>3:30 PM</i>
LEASE <i>Morgan</i>		WELL # <i>1-20</i>		LOCATION		COUNTY <i>Reynolds</i>	STATE <i>KS</i>
OLD OR NEW (Circle one)							

CONTRACTOR <i>Pickrell</i>	
TYPE OF JOB <i>Prevent CSG</i>	
HOLE SIZE <i>7 7/8</i>	T.D. <i>3886</i>
CASING SIZE <i>4 1/2</i>	DEPTH <i>3882</i>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX <i>300</i>	MINIMUM <i>200</i>
MEAS. LINE	SHOE JOINT <i>19</i>
CEMENT LEFT IN CSG. <i>12 1/2</i>	
PERFS.	
DISPLACEMENT <i>625 bbls 22 kcl</i>	
EQUIPMENT	
PUMP TRUCK # <i>343</i>	CEMENTER HELPER <i>Moe Steve</i>
BULK TRUCK # <i>389</i>	DRIVER <i>Greg</i>
BULK TRUCK #	DRIVER

OWNER <i>American Energies</i>	
CEMENT	
AMOUNT ORDERED <i>2250 ASC 5 # Rolser</i>	
<i>58 FL-160 + .72 gas block +</i>	
<i>Defoamer 500gal ASF 8gal clapro</i>	
COMMON	@
POZMIX	@
GEL	@
CHLORIDE	@
ASC <i>225</i>	@ <i>13.10</i> <i>2947.50</i>
<i>Kel Seal 1125 #</i>	@ <i>.70</i> <i>787.50</i>
<i>FL-160 106 #</i>	@ <i>10.65</i> <i>1128.90</i>
<i>Gas Block 148 #</i>	@ <i>8.90</i> <i>1317.20</i>
<i>Defoamer 32 #</i>	@ <i>7.20</i> <i>230.40</i>
<i>ASF 500 gal.</i>	@ <i>1.00</i> <i>500.00</i>
<i>Clapro 8 gal</i>	@ <i>25.00</i> <i>200.00</i>
	@
HANDLING <i>292</i>	@ <i>1.90</i> <i>554.80</i>
MILEAGE <i>45 x 292 x .09</i>	<i>1182.60</i>
TOTAL <i>8848.90</i>	

REMARKS:

*Life on bottom. Circulate pump 20 bbls
22 kcl water 3 fresh 12 bbls ASF 3 fresh
plug rat hole, mix cement, shut down
pumper wash pump + line +
release plug, start displacement
lift pressure at 27 bbls slow rate to
5 bpm. slow rate to 3 bpm at 50 bbls
bump plug at 625 bbls + 800 psi
Heart died hold*

CHARGE TO: *American Energies*

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB <i>3882</i>	
PUMP TRUCK CHARGE	<i>1610.00</i>
EXTRA FOOTAGE	@
MILEAGE <i>45</i>	@ <i>6.00</i> <i>270.00</i>
MANIFOLD	@
<i>Head Rental</i>	@ <i>100.00</i> <i>100.00</i>

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TOTAL *1980.00*

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PLUG & FLOAT EQUIPMENT

<i>4 1/2</i>	
<i>1-Rubber plug</i>	@ <i>55.00</i> <i>55.00</i>
<i>1-AFU insert</i>	@ <i>215.00</i> <i>215.00</i>
<i>1-guide shoe</i>	@ <i>125.00</i> <i>125.00</i>
<i>6-Turbolizer</i>	@ <i>55.00</i> <i>330.00</i>
	@

ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING

TOTAL *725.00*

TOTAL CHARGE ~~8848.90~~

DISCOUNT ~~8848.90~~ IF PAID IN 30 DAYS

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 *Thal Starr*

PRINTED NAME *Thal Starr*