

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

*Corrected per
Peterson. W. Peterson
1/2/09*

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: Pickrell Drilling Company, Inc.
License: 5123
Wellsite Geologist: David Goldak

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: Messman-Rinehart OIL COMPANY

Well Name: Sparks 1
Original Comp. Date: 3/23/62 Original Total Depth: 2900'

Deepening Re-perf. Conv. To Enhr/SWD
 Plug Back 4194' Plug Back Total Depth _____
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Enhr.?) Docket No. _____

<u>9/30/2008</u>	<u>10/06/08</u>	<u>10/20/08</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API NO. 15 - 095-01333-0001
County: Kingman TWP: 28 S
SW NE - SE - Sec. 12 S. R. 28 TW East West
1650' FSL feet from S N (circle one) Line of Section
990' FEL feet from E W (circle one) Line of Section

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

Lease Name: Sparks OWWO Well #: 1
Field Name: Wildcat

Producing Formation: Mississippian
Elevation: Ground: 1489' Kelly Bushing: 1499'

Total Depth: 4194' Plug Back Total Depth: 4194'

Amount of Surface Pipe Set and Cemented at 8 5/8" @ 198 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 OWWO - AIT I ncr
(Data must be collected from the Reserve Pit) 2-27-09

Chloride content 31000 ppm Fluid volume 1,800 bbls
Dewatering method used Evaporation

Location of fluid disposal if hauled offsite:
Operator Name: American Energies Corporation

Lease Name: Greenleaf Ranch SWD License No.: 5399

Quarter NW Sec 7 Twp 28 S. R. 6 East West
County: Kingman Docket No.: D17279

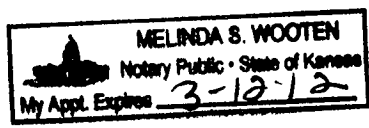
INSTRUCTIONS: An original and two copies of this form shall be filed with Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side 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: 1/14/2009

Subscribed and sworn to before me this 14th day of January,
2009

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



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

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JAN 15 2009
CONSERVATION DIVISION
WICHITA, KS

Handwritten: 1/21/09
1 Jan 1

Operator Name: American Energies Corporation Lease Name: Sparks OWWO Well: 1 Jan 1
 Sec. 12 Twp. 28 S. R. 7W West 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 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:
 Dual Induction
 Compensated Density/Neutron
 Sonic Cement Bond

Log Formation (Top), Depth and Datum Sample Datum
 Name Top 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"	23#	198	60/40 poz	125	2% gel, 3% CC
Production	7 7/8"	4 1/2"	10.5#	3997'	ASC	150	500 gallons ASF MF

ADDITIONAL CEMENTING / SQUEEZE RECORD					5% KC/sx+5% FL,7% Gas blocker
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
4 SPF	3848-3852 - Mississippian	500 gallons 15% FE	3848-3852
		Fraced with LG 2,500 frac	
		20,500# sand and 420 bbls fluid	

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 3/8"	3724'	3724'	<input type="checkbox"/> Yes <input type="checkbox"/> No

Date of First, Resumed Production, SWD or Enhr.	Producing Method
11/11/09	<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
	-0-	250	2		

Disposition of Gas: Vented Sold Used on Lease Open Hole Perf Dually Comp. Commingled

(If vented, Sumit ACO-18.) Other Specify _____

Handwritten: 11/11/09
2/24/09
Signature:



American Energies
Corporation

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

**AMERICAN ENERGIES CORPORATION
DRILLING REPORT
SPARKS #1 OWWO**

LEASE #: 10481265
LOCATION: SW NE SE Section 12-T28S-R7W
COUNTY: Kingman
API: 15-095-01,333
CONTRACTOR: Pickrell Drilling
GEOLOGIST: Doug Davis

NOTIFY: American Energies Corp
Dianne Y. DeGood Family Trust
Hyde Resources, Inc.
Lario Oil and Gas Company
Mohican Petroleum, Inc.
Stump Properties, LP

SURFACE CASING: 8 5/8"
PRODUCTION CASING:
PROJECTED RTD: 3900'
G.L.: 1489' **K.B.:** 1499'
SPUD DATE: 9/30/08
COMPLETION DATE:
REFERENCE WELLS:
#1: AEC's #4 Greenleaf - Sec. 7-T28S-R6W
#2: AEC's #6 Dye - Sec. 13-T28S-R7W

FORMATION:	SAMPLE LOG:				ELECTRIC LOG TOPS:			
			COMPARISON:				COMPARISON:	
		#1	#2		#1	#2		
Brown Limestone	3115	-1616	-9	+2	3112	-1613	-6	+5
Lansing	3124	-1625	-6	+4	3123	-1624	-5	+5
Swope	3498	-1999	-3	+8	3498	-1995	-3	+8
Hertha	3533	-2034	-3	+10	3531	-2032	-1	+12
B/KC	3602	-2103	-2	+14	3598	-2099	+2	+18
Cherokee	3740	-2241	+12	-1	3738	-2239	+1	+14
Mississippian	3846	-2651	+16	+2	3846	-2347	Flat	+16
Kinderhook	4150	-2651	NDE	NDE	4150	-2651	NDE	NDE
RTD	4194							
LTD	4194							

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9/29/08 MIRT & RURT

9/30/08 Spud @ 7:00 a.m. Began washing down.

10/01/08 Reached TD @ 12:10 a.m. (RTD: 2908'). SHT @ 2904' = 1 degree. Made bit trip. Going back on bottom. Will mix mud, displace and begin drilling hole deeper.

10/02/08 Drilling deeper @ 3250'.

10/03/08 At 3600' and drilling ahead at 7:00 a.m.

10/04/08 Running DST #1 3850 - 3862' (Mississippian Chert). Times: 30-60-45-75. 1st opening - strong blow off bottom in 6 seconds - GTS on 1/4" choke. In 10" - gauged 47 MCF, 20" - 48 MCF, 30" - 50 MCF, 2nd opening - GTS immediately. In 10" - 55 MCF, 30" - 52 MCF, 45" - 51 MCF. Recovered 220' GCWM. ISIP: 1288, FSIP: 1278, IFP: 90-93, FFP: 92-101, IHP: 1789, FHP: 1749.

10/05/08 Drilling ahead @ 4040'.

10/06/08 RTD - 4194'. Ran E-logs. LDDP to run 4 1/2" production casing. Formation contains 62' chert, 20' of pay with 36% cross-plot porosity. Ran 95 jts new 4 1/2" 10.5# production casing set @ 3997'. Cemented with 500 gallons ASF MF ahead of 150 sx ASC cement, 5# KC/sx, + 5% FL-160, & .7% gas block. Cementing by Allied - Ticket #32504. Cement held. PD @ 2:45 p.m. 10/6/08. Released rig. Final Drilling Report.

COMPLETION INFORMATION

10/20/08 MI AEC Workover Rig #2. Put on head, 4 1/2" to 2 3/8". Log Tech ran bond log. Perforated 3848 - 3852 with 4 SPF, 16 shots (Mississippian). TIH with 4 1/2" packer and 117 jts, packed well off. Rigged over to swab. Swabbed 4:30 to 6:30 of gas. Swabbed fluid down to 3000'. Show of gas after swab. SION

10/21/08 Opening CP: 320, TP: 320. Had gas leaks on casing head, blew down well. Ran 1 - 10' jt sub to 3832'. Repaired all leaks. Went back in with swab. Had 100' fluid. Shut in casing and tubing. Got gas trailer, hooked up to test well. Hooked up gas test - back pressure valve was not working. Installed new back pressure valve. SION. Pressures at time of shut-in - 800 CP, 700 TP.

10/22/08 Opening CP: 1080, TP: 950. Started testing well. After blowing off head gas and leveling off well. Hooked up to gas testing trailer, blew down to 900#, started testing.

	CP	TP	Recovered	Fluid
1 st hour -	900	440	76 MCF	1/2 BF/H
2 nd hour -	870	440	76 MCF	1/2 BF/H
3 rd hour -	850	410	76 MCF	1/2 BF/H
4 th hour -	825	400	76 MCF	1/2 BF/H
Turned gas down to 70 MCF/D				
5 th hour -	800	385	70 MCF	1/2 BF/H
6 th hour -	790	380	68 MCF	1/2 BF/H
7 th hour -			65 MCF	1/2 BF/H
8 th hour -			59 MCF	1/4 BF/H
9 th hour -			42 MCF	1/4 BF/H

10/23/08 Choke mostly froze off - selling 19 MCF, 1100# CP, 660# on TP. Made 1/2 BF over night.

10/24/08 Opening Pressures - 1,000 CP, 440# TP, Selling 24 MCF PD.

10/27/08 Over weekend - averaging 19 MCFPD. Will shut-in today.

10/30/08 Moved in American Energies Rig #2, rigged up. Acidized with 500 gal. 15% Fe w/Basic Acid Service. Got acid on bottom, packer at 3830'. Got acid on bottom. Started at 1-1/2 bpm at 200#. Slowly increasing to 700#, over flushed w/3bbbls. ISIP 300#, vacuum in 4 min. Total load 56 bbbls. Started swabbing.

1st swab - Fluid 200' from surface.

1st hour - Swabbing fluid 1600' from surface.

2nd hour - Swabbing fluid 2600' from surface.

3rd hour - Swabbing fluid 3400' from surface

11/05/08 Waiting on equipment - estimate production between 40 - 45 MCFPD, 2 BWPD.

11/19/08 Pulled 3 jts 2 3/8" and set packer at 3724'. Well is set to be fraced on 12/5/08

12/04/08 Frac costs: \$17,639.00

Hooked up Basic Energy and proceeded with LG 2,500 frac. Fraced with 20,500# sand and 420 bbbls fluid.

Average pressure was 1500# at 7 BPM.

Shut-in pressure was 1170#

After 5 minutes - SI pressure - 995#,

After 10 minutes - SI pressure - 867#

After 15 minutes - SI pressure - 791#.

SION

12/09/08 Rigged up American Energies Rig #2 to pull tubing and packer. Opened tubing - had 1100# TP. Hooked up choke and hose to blow to pit.

Opened choke to 16/64, and after 10 minutes, pressure @ 750# and now flowing fluid back.

After 1 hour - choke set @ 18/64 - pressure @ 810# - flowing back remainder of the day

Well flowing about 100 MCF daily and 100 bbbls fluid. Have 350 bbbls of frac fluid to recover.

Will flow overnight. If still flowing in the morning, will hook up gas testing trailer.

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12/10/08 Choke froze off overnight. Moved gas testing trailer in and hooked up. Tubing Pressure @ 1200#. Started test - choke set @ 12/64.

After 2 hours - TP: 840# - Testing 250 MCF, making 100 bbls fluid.

After 6 hours - TP: 840# - Testing 250 MCF, making 100 bbls fluid. Will test overnight.

Preparing to lay waterline and gas pipeline.

12/11/08 Choke was freezing off, only testing 55 MCF, TP: 1075#, opened choke and got well flowing. Testing @ 250 MCF for 3 hours, making 100 bbls fluid. Shut in well. Will leave packer set. Will need heated choke. Will hook up well next week. Will be running 4-point test.

1/08/09 **4 Point test Results as follows: (Shut-In Tubing Pressure - 1205#, packer in hole - Casing Pressure - 0#)**

Orifice Size	Time	TP	Rate	Notes
1 1/4"	2 hours	1165#	635 MCF/D	
1 1/4"	2 hours	1095#	600 MCF/D	
1 1/4"	2 hours	935#	560 MCF/D	
1 1/4"	2 hours	915#	495 MCF/D	Produced 1 bbl of saltwater in 8 hours Left flowing @ 250 MCF/D

1/09/09 **Well went online**

Production - MCF	Water	TP	Notes
1/10/09 0	-0-		Compressor Down
1/11/09 250 MCF	2 bbls	960#	Water disposing into Greenleaf Ranch SWD
1/12/09 250 MCF	2 bbls	960#	

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WICHITA, KS



24 S. Lincoln Street
P.O. Box 31
Russell, KS 67665-2906
Voice: (785) 483-3887
Fax: (785) 483-5566

*Ken
mu
1/2/09*

INVOICE

Invoice Number: 116501
Invoice Date: Oct 6, 2008
Page: 1

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

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Am Eng	Sparks #1-OVVND	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS2	Medicine Lodge	Oct 6, 2008	11/5/08

Quantity	Item	Description	Unit Price	Amount
15.00	MAT	Class A Common	15.45	231.75
10.00	MAT	Pozmix	8.00	80.00
1.00	MAT	Gel	20.80	20.80
150.00	MAT	ASC Class A	14.80	2,220.00
500.00	MAT	ASF	1.27	635.00
750.00	MAT	Kol Seal	0.89	667.50
71.00	MAT	FL-160	13.30	944.30
98.00	MAT	Gas Block	11.10	1,087.80
21.00	MAT	Defoamer	8.90	186.90
7.00	MAT	Cla Pro	31.25	218.75
222.00	SER	Handling	2.40	532.80
65.00	SER	Mileage 222 sx @ .10 per sk per mi	22.20	1,443.00
1.00	SER	Production Casing	2,092.00	2,092.00
65.00	SER	Mileage Pump Truck	7.00	455.00
1.00	SER	Head Rental	113.00	113.00
4.00	EQP	Turbochargers	68.00	272.00
1.00	EQP	Latch Down Plug	405.00	405.00
1.00	EQP	AFU Float Shoe	434.00	434.00

REC...
KANSAS CORPORATION...
JAN 15 2009
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WICHITA, KS

ALL PRICES ARE NET, PAYABLE
30 DAYS FOLLOWING DATE OF
INVOICE. 1 1/2% CHARGED
THEREAFTER. IF ACCOUNT IS
CURRENT, TAKE DISCOUNT OF

\$ 12,039.60

ONLY IF PAID ON OR BEFORE

Nov 5, 2008

Subtotal	12,039.60
Sales Tax	638.10
Total Invoice Amount	12,677.70
Payment/Credit Applied	
TOTAL	12,677.70

ALLIED CEMENTING CO. LLC. 32504

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

SERVICE POINT:
Medicine Lodge

DATE <u>10-06-09</u>	SEC. <u>12</u>	TWP <u>28 N</u>	RANGE <u>7 W</u>	CALLED OUT <u>0700 AM</u>	ON LOCATION <u>1000 AM</u>	JOB START <u>0200 PM</u>	JOB FINISH <u>0245 PM</u>
LEASE <u>Sparks</u>		WELL # <u>1-0000</u>	LOCATION <u>H 854 Jct, 1 S, 2 3/4 E, 2 S, 1 1/2 E,</u>	COUNTY <u>Kingman</u>	STATE <u>Ks.</u>		
<input checked="" type="radio"/> PROD <input type="radio"/> REPAIR (Circle one)			<u>N/ into.</u>				

CONTRACTOR Pickwell #1 OWNER American Energies

TYPE OF JOB Production
 HOLE SIZE 7 7/8" T.D. 4192
 CASING SIZE 4 1/2 10.5# DEPTH 3997 4011
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM 100 psi.
 MEAS. LINE _____ SHOE JOINT 45
 CEMENT LEFT IN CSG. 43'
 PERFS. _____
 DISPLACEMENT 6 3/2 Bbls 2000 KCl water

EQUIPMENT
 PUMP TRUCK # 480 CEMENTER Greg G. HELPER Heath M.
 BULK TRUCK # 363 DRIVER Newton D.
 BULK TRUCK # 372 DRIVER Michael N.

CEMENT
 AMOUNT ORDERED 150 sk A6C + 5# Kol seal + .5% FL 160
+ .7% Gas block + Deformer, 25 sk 6.0:40:4,
500 gal. ASF 7 gal. Cla Pro

COMMON	<u>15</u>	A	@	<u>15.45</u>	<u>231.75</u>
POZMIX	<u>10</u>		@	<u>8.00</u>	<u>80.00</u>
GEL	<u>1</u>		@	<u>20.80</u>	<u>20.80</u>
CHLORIDE			@		
ASC	<u>150</u>	A	@	<u>14.80</u>	<u>2220.00</u>
ASF	<u>500</u>	gal.	@	<u>1.27</u>	<u>635.00</u>
Kol Seal	<u>750</u>	#	@	<u>.89</u>	<u>667.50</u>
FL-160	<u>71</u>	#	@	<u>13.30</u>	<u>944.30</u>
Gas Block	<u>98</u>	#	@	<u>11.10</u>	<u>1087.80</u>
Deformer	<u>21</u>	#	@	<u>8.90</u>	<u>186.90</u>
Cla Pro	<u>7</u>	gal.	@	<u>31.25</u>	<u>218.75</u>
HANDLING	<u>222</u>		@	<u>2.40</u>	<u>532.80</u>
MILEAGE	<u>65 x 222 x .10</u>				<u>1443.00</u>
TOTAL					<u>8268.60</u>

REMARKS:

Pipe on Bottom. Break circulation, Pump Pre flush.
500 gal. ASF, Plus Ret + Make. - 25 sk 6.0:40:4 Pump cement
150 sk + Additive, Stop pumps, wash pump & lines, Release plug, Start
Disp. See lift slow Rate, Bump plug, Float held,
Disp with 6 3/2 Bbls 2000 KCl water.

-Thank you *

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

SERVICE

DEPTH OF JOB	<u>4192</u>		
PUMP TRUCK CHARGE			<u>2092.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>65</u>	@	<u>7.00 455.00</u>
MANIFOLD		@	
Head Rental	<u>1</u>	@	<u>113.00 113.00</u>
TOTAL			<u>2660.00</u>

4 1/2 PLUG & FLOAT EQUIPMENT

Turbolizers	<u>4</u>	@	<u>68.00 272.00</u>
Latch Down Plug	<u>1</u>	@	<u>405.00 405.00</u>
AFU Float shoe	<u>1</u>	@	<u>434.00 434.00</u>
TOTAL			<u>1111.00</u>

To Allied Cementing Co., LLC.

You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Thad Stark

SIGNATURE Thad Stark

SALES TAX (If Any) _____
 TOTAL CHARGES 8268.60
 DISCOUNT 0.00 IF PAID IN 30 DAYS
ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING

Printer