

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: \_\_\_\_\_  
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  SIOW  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. \_\_\_\_\_  
5/27/04 6/03/04 6/21/04  
Spud Date or Date Reached TD Completion Date or  
Recompletion Date Recompletion Date

API NO. 15 - 095-21873-00-00  
County: Kingman  
E/2 E/2 - SW - 5 Sec. 28 S. R. 6  East  West  
1445' feet from (S) N (circle one) Line of Section  
2190' feet from E / (W) (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW (SW)  
Lease Name: Kaufman Well #: 3  
Field Name: Georgia Spur  
Producing Formation: Mississippi  
Elevation: Ground: 1543' Kelly Bushing: 1548'  
Total Depth: 3920' Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 8 5/8# @ 251' KB 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 ALT I KGR 2/21/08  
(Data must be collected from the Reserve Pit)

Chloride content # 4800 ppm Fluid volume 900 bbls  
Dewatering method used Evaporation - Return to original condition  
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: 9/7/04  
Subscribed and sworn to before me this 1st day of September  
2004  
Notary Public: Melinda S. Wooten  
Date Commission Expires: Melinda S. Wooten, Notary Exp. 3/12/08

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

KCC Office Use ONLY  
 Letter of Confidentiality Attached  
If Denied, Yes  No Date: \_\_\_\_\_  
 Wireline Log Received  
 UIC Distribution  
RECEIVED  
KCC RECEIVED  
SEP 10 2004  
WICHITA, KS

Operator Name: American Energies Corporation Lease Name: Kaufman Well: 3

Sec. 5 Twp. 28S 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 type="checkbox"/> Yes <input checked="" 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: Compensated Density Neutron, Cement Bond	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> 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"	28#	251' KB	60/40 poz	200 sx	2% gel, 3% CC
Production	7 7/8"	4 1/2"	10.5#	3912'	Class A	100 sx	2% gel, 3% CC

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
4	Mississippi 3862-72	250 gallons 15% MCA	3862
		20,000# sand & 700 bbls cross-linked gel	3868

TUBING RECORD	Size 2 3/8"	Set At 3890'	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumed Production, SWD or Enhr. 7/26/04	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
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Estimated Production Per 24 Hours	Oil Bbls	Gas Mcf	Water Bbls	Gas-Oil Ratio	Gravity
		45			

Disposition of Gas  Vented  (If vented, Sumit ACO-18.)

METHOD OF COMPLETION  Open Hole  Other Specify \_\_\_\_\_

Production Interval  Dually Comp.  Commingled \_\_\_\_\_

# AMERICAN ENERGIES CORPORATION DRILLING and COMPLETION REPORT

## Kaufman #3

**LOCATION:** 100' S of E/2 E/2 SW (1220' FSL and 2310' FWL)  
Section 5-T28S-R6W      **SURFACE CASING:** 8 5/8" 20# @

**API:** 15-095-21873-0000

**COUNTY:** Kingman County, Kansas      **PRODUCTION CASING:** 87 jts used 4 1/2"  
10.5# production casing set @ 3912'  
Projected RTD: 4,000'

**CONTRACTOR:** Pickrell Drilling, Rig #1(620-786-5729)      **G.L.:** 1543      **K.B.:** 1548  
**GEOLOGIST:** Dave Goldak      **SPUD DATE:** 5/27/04  
**COMPLETION DATE:**  
**NOTIFY:** American Energies Corp.,  
Frank Novy Trust,  
Don D. Dye, J & F Investments,  
W. Mike Adams, D & D Investment,  
Fredrick W. Stump Trust,  
Hyde-Marrs, Inc. , Gar Oil Company,  
Peter J. Coakley, M.C. Coakley      **REFERENCE WELLS:**  
#1: Kaufman #2 – C SW 5-28S-6W  
#2:

FORMATION:	SAMPLE LOG:		ELECTRIC LOG TOPS:		COMPARISON:	
					#1	#2
Onaga Shale	1923	-399	1922	-398	-5	
Indian Cave Sd	1946	-422	1944	-420	-8	
Wabaunsee	1967	-443	1967	-443	-2	
Heebner	2868	-1344	2868	-1344	-5	
Brown Lime	3124	-1600	3126	-1602	-15	
Lansing	3132	-1608	3135	-1611	-15	
Stark	3503	-1979	3502	-1978	-13	
Hushpuckney	3539	-2015	3539	-2015	-16	
Base/KC	3606	-2082	3606	-2082	-5	
Marmaton	3660	-2136	3664	-2140	-11	
Cherokee	3748	-2224	3747	-2223	-7	
Miss Chert	3859	-2335	3859	-2335	-4	
Miss Limestone	3910	-2386	3917	-2393	+1	
Total Depth	3920	-2396	3926	-2402		

RECEIVED  
KCC  
SEP 10 2004  
WICHITA, KS

5/26/04 MIRT, RURT  
5/27/04 Drilling ahead at 71' at 7:00 a.m. Spud 4:15 a.m. 5/27/04  
5/28/04 Drlg @ 870', Drl'd 12 1/4" hole to 256' KB SHT @ 256'=1/2. Ran 7 jts of used 8 5/8" 28# csg. Set 251'KB. United cmt'd w/ 200sx 60-40 Poz 2% gel, 3% CC. PD @ 12:45 PM on 5/27/04 Cmt cir, United Cmt Ticket #5535, WOC for 8 hrs started Drlg  
5/29/04 Drilling ahead at 1825'  
5/30/04 Drilling ahead at 2636'  
5/31/04 Drilling ahead at 3413'  
6/01/04 Drilling ahead at 3855'. Drilling to 3880', Top Miss @ 3859, top 8', drilled 1 minute per foot, next 13' drilled 1/4 to 1/2 minute per foot. 70% weathered Tripolitic Chert, 280 unit total gas kick, good fluor, good cut, good show of oil and gas bubbles. Preparing to run DST #1 from 3861-3880'.  
6/02/04 Tripping out of hole for logs. DST #1: 3861-3880 (Miss Chert), Times: 30-60-45-75. 1<sup>st</sup> Opening GTS 5", gauged 160 MCF, 2<sup>nd</sup> opening, gauged 192 MCF decreasing to 144 MCF. Recovered 398' TF: 150'M, 62' WCM (40% Water), 186' MCW (84% Water). IFP: 115-126, ISIP: 1192', FFP: 115-163, FSIP: 1146, IHP: 1913, FHP: 1822.  
6/03/04 RTD 3920', LTD: 3922'. Ran 87 jts used 4 1/2" 10.5# production casing set @ 3912'. Cemented with 100 sx Class A 2% gel, 15 sx in RH. PD @ 3:45 a.m. on 6/3/04. United Cementing Ticket #6538. Released rig. WOCT

**Completion Information as follows:**

6/21/04 Moved in completion unit (with cat), swab down hole to perforate.  
 6/22/04 Swabbed down rest of fresh water in casing. Loaded casing with Miss. water and perforated from 3862-72 – 4 SPF. Swabbed Miss. water back into swab tank. Got load back at 12:45 p.m. – 60 bbls fluid at 2500’.

<b>Time:</b>	<b>Recovery:</b>	<b>Amount:</b>	<b>Fluid Level:</b>
12:55	5 bbls	300’	2300’
1:05	5 bbls	300’	2700’
1:20	4. bbls	273’	3300’
1:30	4.5 bbls	290’	3800’
1:40	2 bbls	150’	Bottom

Operator said he is hitting more gas pockets. There is good show of gas after swab. Discussed with Alan and decided on additional swabbing before beginning acid treatment.

<b>Time:</b>	<b>Recovery:</b>	<b>Amount:</b>	<b>Fluid Level:</b>
2:20	3.4 bbls	225’	3500’
2:30	1.4 bbls	75’	
2:40	¾ bbl	50’	

Unhooked swab and hooked up for acid treatment. Began acid and flush at 3:00 p.m. Hole loaded 4 bbls short of acid on perfs. Began at ½ bbls at 250#, got acid on perfs, took to 1 BPM at 300#. Got 2 bbls in and took to 1.5 BPM at 350#. Pumped acid away. Used 250 gallons 15% MCA. Hooked up swab and began swabbing, got 50 bbls back 1<sup>st</sup> hour. Got 14 additional barrels in next ½ hour. Last two swabs got back 150’ (2 bbls) every 20 minutes. Total treatment back at 6:08 p.m. Shut down.

6/23/04 Opening pressure was 730#. Set choke at 16/64, started venting:

	<b>Times:</b>	<b>Pressure:</b>	
After	5 Minutes	600#	
	10	520#	
	15	380#	
	20	290#	
	25	220#	
	30	165#	
	35	140#	
	40	120#	
	45	110#	
	50	100#	
	60	80#	
	65	80#	138MCF/D no water

Vented gas out and started swabbing – 1900’ fluid in hole. 1<sup>st</sup> ½ hour – swabbed 7 bbls, 2<sup>nd</sup> ½ hour Swabbed 8 bbls (total 1<sup>st</sup> hour – 15 bbls). Got to bottom at 11:15 a.m. – recovered 17 ½ bbls in tank, so there was only 1100’ fluid. Had some gas pockets. Went in and got 150’ (2 bbls), 2<sup>nd</sup> pull 25’, ½ hour – 150’ (2 bbls). Rigged down for frac crew.

6/24/04 SI

6/25/04 Rigged up Service Acid & frac with 20,000 # Sand and 700 barrels of cross-linked gel, MTP 1150#, AIR 15 BBls/M, ATP 975# ISIP 625# 15” 425# SI rig down frac crew.

7/07/04 Rigged up and started sand pumping. Found sand at 3868’ (cleaned out about 5’ and shut down).

7/08/04 Started sand pumping. Made 1’ and sand pump broke. Waited on parts, had problems making repairs. Shut rig down and went to Canton to get another sand pump.

7/09/04 Hooked up sand pump and cleaned out hole. Ran 2-3/8" tubing, MA and SN to 3890'. Hooked up to start swabbing on Monday morning.

7/12/04 Started swabbing fluid 800' down from top.

1 <sup>st</sup> hour	15.5 bbls	fluid @ 1300' down from top
2 <sup>nd</sup> hour	29 bbls	fluid @ 1300' - no show gas
3 <sup>rd</sup> hour	23 bbls	fluid @ 1300'
½ hour - lunch		fluid @ 750'
4 <sup>th</sup> hour	16 bbls	fluid @ 1300' - backside 90#
5 <sup>th</sup> hour	29 bbls	fluid @ 1300' - casing pressure 100#
6 <sup>th</sup> hour	26 bbls	fluid @ 1300' - casing pressure 160#
7 <sup>th</sup> hour	27 bbls	fluid @ 1100' - casing pressure 250#
8 <sup>th</sup> hour	24 bbls	fluid @ 1100' - casing pressure 300#

Recovered a total of 189.5 bbls for day, SICP: 700#, SITP: 80#. Swabbed 2 hours and recovered 50 bbls load water. tP: 150#, CP: 770#. Will run downhole pump and rods in well. Will set used 160 PU tomorrow.

7/13/04 Opening Casing Pressure - 700#, Opening Tubing Pressure - 80#

1 <sup>st</sup> hour	30 bbls	Fluid @ 1300' from top
2 <sup>nd</sup> hour	20 bbls	Fluid @ 1500' from top - 720# Casing Pressure
3 <sup>rd</sup> hour	22 bbls	Fluid @ 1500' from top - 770# Casing Pressure

Recovered a total of 72 bbls. Ran in 2 X 1/12 X 12' RWT pump and 154 jts ¾" rods, 2-2' subs, 1-6' sub and 1 - 16' 7/8" polish rod. SDON.

7/14/04 Rigged down. Waiting on a pumping unit. Waiting on Roustabouts to lay lead lines and gas lines.

7/16/04 Setting equipment. Waiting on Roustabouts to lay lead lines & gas lines.

7/20/04 Setting Pumping Unit & motor, preparing to lay gas line.

7/21/04 Started setting surface equipment.

7/22/04 Finished setting all surface equipment. Set lines, hooked up wellhead. Well hook up tank battery and start pumping well on 7/23/04.

# Cementing & Acid Company, Inc.

2510 W. 6th St.  
 El Dorado, Kansas 67042  
 316-321-4680 800-794-0187 (Fax) 316-321-4720

Remit Payment To:

One North Hudson, Suite 1000  
 Oklahoma City, OK 73102  
 405-278-8800

Customer:

American Energies Corporation  
 155 N. Market St., Ste. 710  
 Wichita, Kansas 67202

Invoice No. 6066  
 Field Ticket 5538  
 Date 6/9/2004  
 PO#

Date of Job	County	State	Lease	Well No.
06/02/04	KM	KS	Kaufman /	#3
Size of Casing	Depth Of Well	Depth Of Job	Plug Depth	Pressure
4-1/2"	3920'	2919'		
Quantity	Description	Unit Price	Total	
<b>PRODUCTION CASING</b>				
	Cement Unit	UOM		993.47
50	Mileage Charge	mi	2.05	102.50
115	Class A Cement	sax	5.92	680.80
2	Gel	sax	9.70	19.40
500	Mud Flush	gal	0.60	300.00
1	4-1/2" AFU Insert			123.76
4	4-1/2" Centralizers	ea	29.70	118.80
1	4-1/2" Plug			38.00
117	Bulk charge	sax	0.98	114.66
	Drayage - 5.85 tons x .73 x 50 mi.			213.53
<i>Thank you for your continued business</i>				
	<b>Taxable</b>	<b>*Non-Taxable</b>	<b>Tax Rate</b>	<b>Sales Tax</b>
	1608.95	1,095.97	0.053	85.27
				<b>\$2,790.19</b>

193001

ENT'D JUN 22 ENT'D

*MW*

TERMS: Net 30 days from invoice date. Please pay from this invoice.

ORIGINAL INVOICE

# ... & Acid Company, Inc.

2510 W. 6th St.

El Dorado, Kansas 67042

316-321-4680

800-794-0187

(Fax) 316-321-4720

Remit Payment To:

One North Hudson, Suite 1000

Oklahoma City, OK 73102

405-278-8800

Customer:

American Energies Corporation  
155 N. Market St., Ste. 710  
Wichita, Kansas 67202

Invoice No.

6056

Field Ticket

5535

Date

5/28/2004

PO#

2024

Date of Job	County	State	Lease	Well No.
05/27/04	KM	KS	Kaufman	#3
Size of Casing	Depth Of Well	Depth Of Job	Plug Depth	Pressure
8-5/8"	256'	251'	236'	
Quantity	Description	UOM	Unit Price	Total
	<b>SURFACE CASING</b>			
50	Cement Unit			500.00
200	Mileage Charge	mi	2.05	102.50
4	60/40 Pozmix	sax	4.90	980.00
6	Gel	sax	9.70	38.80
210	Calcium Chloride	sax	26.65	159.90
	Bulk charge	sax	0.98	205.80
1	Drayage - 10.50 tons x .73 x 50 mi			383.25
	8-5/8" Wooden Rubber Cup			74.00
<i>Thank you for your continued business</i>				
	<b>Taxable</b>	<b>*Non-Taxable</b>	<b>Tax Rate</b>	<b>Sales Tax</b>
	1841.75	602.50	0.053	97.61
				<b>TOTAL DUE</b>
				<b>\$2,541.86</b>

ENTD JUN 04 ENTD

TERMS: Net 30 days from invoice date. Please pay from this invoice.

ORIGINAL INVOICE