

KANSAS CORPORATION COMMISSION
OIL & GAS DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

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: None - Inj. Well
Operator Contact Person: Alan L. DeGood
Phone: (316) (316) 263-5785
Contractor: Name: American Energies Corporation
License: 5399
Wellsite Geologist: None - Inj. Well

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: Kenny Brown Enterprises
Well Name: Maddy 2
Original Comp. Date: 1/20/83 Original Total Depth: 3455'
 Deepening Re-perf. onv. To Enhr/SWD
 Plug Back Plug Back Total Depth
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Enhr.?) Docket No. _____
9/20/07 10/17/07 10/18/07
Spud Date or Date Reached TD Completion Date or Recompletion Date

API NO. 15 - 163-21859-00-01
County: Rooks
SE SW - NE - Sec. 15 S. R. 8-18 East West

2110' FNL feet from S / (N) (circle one) Line of Section
1650' 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: Maddy Well #: 2 SWD
Field Name: U.S. 183 West

Producing Formation: Arbuckle
Elevation: Ground: _____ Kelly Bushing: 1975'

Total Depth: 3435' Plug Back Total Depth: 3435'

Amount of Surface Pipe Set and Cemented at 8 5/8" set @ 183' 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 II WITH
(Data must be collected from the Reserve Pit) 1-22-08

Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used _____

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: 12/5/07

Subscribed and sworn to before me this 5th day of December,

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 No Date: _____

Wireline Log Received

UIC Distribution

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

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CONSERVATION DIVISION
WICHITA, KS

Operator Name: American Energies Corporation Lease Name: Maddy Well: 2 Inj. Well

Sec. 15 Twp. 8S S. R. 18W Vest County: Rooks

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:
Sonic Cement Bond Log

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

None

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		8 5/8"		183'		130 sx	
Production		5 1/2"		3451'		150 sx	

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	750'	Class A	200 sx	Class A with 3% CC

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
	Casing Leak @ 750'	Acidized with 250 gallons 15% HCL	750'
	Squeezed with 206 sx Class A Cement	Drilled out cement	
	Washed down to TD of 3435'		
2	3132-3350	Acidized old perms with 1,000 gallons 20% FE	

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 3/8" seal tite	3090'	3090'	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Resumed Production, SWD or Enhr.	Producing Method
11/26/07 Injection date	<input type="checkbox"/> Flowing <input checked="" 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

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

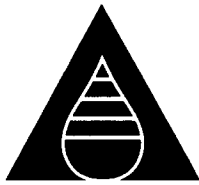
METHOD OF COMPLETION: Vented (If vented, Sumit ACO-18.)

Production Interval: _____

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 WICHITA, KS



American Energies
Corporation

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

WORKOVER REPORT – Converting to Salt Water Injection Well

Maddy #2

LOCATION: SE SW NE Section 15-T8S-R18W
COUNTY: Rooks County
API #: 15-163-21,859-0001
CONTRACTOR: American Energies Corporation Rig #2
NOTIFY: American Energies Corp, Alan L. DeGood Family Trust, Dianne Y. DeGood Family Trust, J. Daniel Denbow, Denbow Oil and Gas, Buffalo Creek Oil and Gas, LLC, Graves Leases LLC, American Hawaiian Petroleum Co., Harvest, LLC, Hyde Resources, Inc.

-
- 9/20/07 Rigged up American Energies Rig #2, Started drilling with drill collars. Made 80' for the day. SION.
- 9/21/07 Drilled 172' for the day. Drilling @ 6 MPF. Total - 252'.
- 9/24/07 Drilled 212' for the day. Drilling @ 2-1/2 FPM. Total - 464'.
- 9/25/07 Drilled 247' for the day. Drilling @ 2-1/2 FPM. Total - 711'.
- 9/26/07 Drilled 311' for the day. Drilling @ 2 FPM. Total - 1022'.
- 9/27/07 Drilled 352' for the day. Drilled a total of 1374'.
- 9/28/07 Drilled 222' for the day. Drilled a total of 1596'.
- 10/1/07 Drilled 327' for the day. Drilled a total of 1923'.
- 10/2/07 Drilled 310' for the day. Drilled a total of 2233'.
- 10/3/07 Drilled 373' for the day. Drilled a total of 2606'.
- 10/4/07 Drilled 342' for the day. Drilled a total of 2948'.
- 10/5/07 Drilled down to 3043' and tested casing. Did not hold. Came out with tubing, drill collars and bit. Went in with packer and tubing to 1024' and pressured up from 1024' down and held 500#. Pressured from 1024' and up and did not hold. SION
- 10/8/07 Pulled 5 jts to 870', set packer and pressured up backside - did not hold. Pulled 3 more jts and did not hold. Pulled 2 jts and held. Found leak @ 750'. Tried pumping into it and could not. Called for acid truck. Allied arrived on location and circulated 250 gallons 15% HCL on hole. Took to 500# - leaked off to 100# in 5 minutes. Took to 700# - leaked off to 100# in 5 minutes. Took to 750# and started feeding at 1/8 BPM at 700#. Could not get it to break. After 3 bbls @ 600# - 1/2 BPM. After 5 1/2 bbls acid 1 BPM @ 600#. Hooked up Allied Cement and squeezed well with 200 sx Class A with 3% CC at 1 BPM. Squeezed hole to 1000#. Pulled to 2nd jt and set packer and left 500# pressure on it. SION
- 10/9/07 Released packer and pulled tubing and packer. Rigged off to let cement set up.

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Maddy #2 Workover Report

Page – Two

- 10/15/07 Rigged up and ran bit, 3 drill collars and tubing & tagged cement @ 635'. Hooked up and started drilling. Drilled to 705'. SION
- 10/16/07 Started drilling – fell thru @ 790'. Ran 2 more jts and pressured up to 390# for 30 minutes and held. Came out and rigged up Log Tech and ran bond log for State. Ran log. Looked good – so went back in hole with bit and tubing. Tagged cement @ 3043' and started drilling again. Took log to KCC and herb approved it. Drilled to 3131. SION
- 10/17/07 Drilled down to TD @ 3435' and still circulating. Called for 1,000 gallons of 20% FE acid. Circulated hole clean for 1 hour. Pulled bit up to 3289'. Hooked up Kansas Acid and circulated acid down to bit. Spotted 1 bbl acid in casing and let set for 5 minutes. Started pumping acid at 1BPM @ 25#. Pumped 4 bbls out and took to 2 BPM @ 0#. After 8 bbls – took to 3 BPM @ 25#. After 12 bbls – took to 3 ½ BPM @ 100#. After 16 bbls – took to 3 ¾ BPM @ 150#. Acid out and well taking 1 ½ BPM on vacuum. Came out of hole with tubing and bit. Put on packer and started running seal tite tubing to 3090'. SION
- 10/18/07 Flushed backside with packer fluid. Ran packer to 3090' and set it. Called KCC. Loaded casing and took pressure to 310# and held for 30 minutes. **Passed KCC MIT test.**

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WICHITA, KS

cash payment to "AT" terms of no. any other materials, products, and "Customer" services described on the form. Box 31 Russell, KS 67665-2906

ALLIED

CEMENTING CO., LLC

Cementing & Acidizing Services

INVOICE

Invoice Number: 110632
 Invoice Date: Oct 15, 2007
 Page: 1

Voice: (785) 483-3887
 Fax: (785) 483-5566

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

5081

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Am Eng	Maddy #2	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Russell	Oct 15, 2007	11/14/07

Quantity	Item	Description	Unit Price	Amount
200.00	MAT	Common Class A	11.10	2,220.00
6.00	MAT	Chloride	46.60	279.60
206.00	SER	Handling	1.90	391.40
55.00	SER	Mileage 206 sx @.09 per sk per mi	18.54	1,019.70
1.00	SER	Squeeze	955.00	955.00
55.00	SER	Mileage Pump Truck	6.00	330.00

ENTD OCT 24 2007

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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

\$ 5,471.07

ONLY IF PAID ON OR BEFORE

Nov 14, 2007

Subtotal	5,195.70
Sales Tax	275.37
Total Invoice Amount	5,471.07
Payment/Credit Applied	
TOTAL	5,471.07

INVOICE

Invoice Number: 110569
 Invoice Date: Oct 11, 2007
 Page: 1

887
 5566

Energies Corp.
 Market
 710
 chita, KS 67202

5079

Customer ID	Well Name/# or Customer P.O.	Payment Terms	
Am Eng	Maddy #2	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Russell Acid	Oct 11, 2007	11/10/07

Quantity	Item	Description	Unit Price	Amount
250.00	MAT	15% Acid	1.30	325.00
1.00	MAT	Inhibitor	32.00	32.00
1.00	SER	Standard Pump Truck	600.00	600.00
35.00	SER	Mileage	3.00	105.00

ENT'D OCT 18 2007

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CONSERVATION DIVISION
 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

Subtotal	1,062.00
Sales Tax	37.37
Total Invoice Amount	1,099.37
Payment/Credit Applied	
TOTAL	1,099.37

\$ 1062.00

ONLY IF PAID ON OR BEFORE

Nov 10, 2007

ALLIED CEMENTING CO. INC.
(ACID)
P.O. Box 31
Russell, Kansas 67665
785-483-2627

3123

Medicine Lodge
620-886-5926

Ticket #

10-8-07
PO# Thad S. Location _____
Owner American Energy Lease Maddy Well # #2 County RO State KS
Station Russell Section _____ Township _____ Range _____ Formation Acidize before squeeze Contractor American Energy

WELL DATA				PERFORATIONS		TREATMENT		INFO:
SIZE	WEIGHT	DEPTH	VOLUME	SHOTS FT.		Max. Pressure		To: Allied Cementing Company, Inc. (ACID)
TUBING	2 7/8		750	4.34	From _____ to _____	700		You are hereby request to rent acidizing equipment to do work as listed.
CASING	5 1/4	Ann	750	12.3	From <u>N/A</u> to _____	400		Charge To: <u>American Energy</u>
OPEN HOLE					From _____ to _____	Avg. Inj. Rate	0.5	Street _____
PKR					From _____ to _____	Avg. TrT Pressure	500	City _____ State _____
TPB			2043		From _____ to _____	Total Fluid Pumped	11.6 Bbls.	

TIME A.M./P.M.	PRESSURE		TOTAL FLUID PUMPED	FLUID IN FORMATION	INDIVIDUAL FLUID PUMPED	INJECTION RATE	EXPLANATION
	TBG	CSG					
12:34	200		0			1.25	Start Acid to Spot
12:38	200		4.5				Shut Down, Shut Annular
12:39	500		4.5			Stage	Pressure hold
12:46			4.9				Release Pressure, 30c 1/2 bbl around
12:47	500		5.5			Stage	Pressure hold
12:61			5.7				Release Pressure Pull up 15 feet
12:52	500		5.9			Stage	Pressure hold
12:59	400		6.7			0.25	Breaking - Feeding
12:59	500		6.8			0.3	Acid in, Start flush, increase rate & pressure
1:00	650		7.0			0.5	Increase Rate & Pressure
1:01	625		7.5			0.7	" " "
1:02	700		8.2			1.0	" " "
1:03	700		8.8			1.0	Pressure Break
1:04	700		9.0			1.4	Increase Rate & Pressure
1:04	650		11.1			1.4	Clear Pressure Break
1:05	630		11.6			1.4	Shut Down 2 over
							Treated w/ 250 gal - 15%
							Pulled 2 joints, set packer, tested backside, = hold size
							Took inject rate 1.0 bbl/min @ 600

Thank you!
Brent Horn

EQUIPMENT AND PERSONNEL	MATERIALS USED	AMOUNT	UNIT PRICE	TOTAL COST
Kevin 440	Standard Pump Truck	1	600.00	600.00
Brent 451	15% Inhibitor	250 gal	1.30	325.00
Steve F	Milage	35 mi	3.00	105.00

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WICHITA, KS

Sub-Total	1062.00
Tax	
Total	

- New Producer
- Old Producer
- Old Producer - New Zones
- New SWD or Injection
- Old SWD or Injection
- Pressure Test

Terms: _____ discount will be allowed if paid in 30 days from invoice date.

Customer Signature

Customer Print Name

As consideration, the above names (well owner or contractor) agrees to: (a) to pay you in accordance with your current price schedule; (b) Allied Cementing Compar Inc. (ACID) shall not be liable for damage to property of well owner and/or customer unless caused by its willful negligence, this provision applying but not limited to subsurface damage and surface damage arising from subsurface damage. Well owner and/or customer shall be responsible for and secure Allied Cementing Company, Inc. (ACID) against any liability for reservoir loss or damage, or property damage arising from a well blowout, unless such loss or damage is caused by the willful negligence of Allied Cementing company, Inc. (ACID). If equipment or instruments of Allied Cementing company, Inc. (ACID) are lost or damaged at the well owner and/or customer shall either recover the same or pay for such equipment or instruments unless, however, such loss or damage is caused by the negligence of Allied cementing company, Inc. (ACID); (c) that you make no guarantee of the effectiveness of the materials to be used or the results of treatments; and (d) that you will not be bound by any representation or agreement not herein contained. It is understood you will pay wages (and payroll taxes and withholding thereon) and comply with workman's compensation statues applicable to servicemen you furnish.

