

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
License: 5123
Wellsite Geologist: Douglas 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: Ward Drilling
Well Name: Kostner #1
Original Comp. Date: 7/14/48 Original Total Depth: 4635'
 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. _____
5/16/2006 5/18/06 5/18/06 - Plugging
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API NO. 15 - 095-00288-00-01
County: Kingman
NW NW - NW - Sec. 3 S. R. 29-6 East West
330' feet from S / (N) (circle one) Line of Section
330' feet from E / (W) (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE (NW) SW
Lease Name: Kostner OWWO Well #: 1-3
Field Name: Klaver Northeast
Producing Formation: Mississippian
Elevation: Ground: 1557 Kelly Bushing: 1562
Total Depth: 4232 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at None 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.
PA-Dlg - 11/05/08

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content 80,000 ppm Fluid volume 500 bbls
Dewatering method used Waste Transfer
Location of fluid disposal if hauled offsite: _____
Operator Name: Hart Energies, LLC
Lease Name: Marilyn SWD License No.: 32798
Quarter SE Sec 2 Twp 31 S. R. 10 East West
County: Barber Docket No.: D28465

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: 6/21/06
Subscribed and sworn to before me this 21st day of June, 2006
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 Appt. Expires 3-12-08

KCC Office Use ONLY
 Letter of Confidentiality Attached
If Denied, Yes No Date: _____
 Wireline Log Received
 UIC Distribution

RECEIVED

123 2006

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Operator Name: American Energies Corporation Lease Name: Kostner OWWO Well: 1-3

Sec. 3 Twp. 29 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 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)

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

None

List All E. Logs Run:
 Dual Induction, Compensated Density/Neutron PE

CASING RECORD New 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	None						
Production	None						

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
	None	None	

TUBING RECORD	Size	Set At	Packer At	Liner Run
	None			<input type="checkbox"/> Yes <input type="checkbox"/> No

Date of First, Resumed Production, SWD or Enhr.	Producing Method
	<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

Disposition of Gas **METHOD OF COMPLETION** Vented Open Hole Other Specify _____

(If vented, Sumit ACO-18.)

Production Interval Dually Comp. Commingled _____

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JUN 23 2006

KCC WICHITA

ALLIED CEMENTING CO., INC.

23423

Federal Tax I.I

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

SERVICE POINT:
Medicine L.D.B.

DATE <u>05-18-06</u>	SEC. <u>3</u>	TWP. <u>29N</u>	RANGE <u>6W</u>	CALLED OUT <u>7:00 R.M.</u>	ON LOCATION <u>7:00 AM</u>	JOB START <u>7:30 AM</u>	JOB FINISH <u>9:00 AM</u>
LEASE <u>Kostner</u>	WELL # <u>1-3</u>	LOCATION <u>Rago #42 Jet 6N</u>			COUNTY <u>Kingman</u>	STATE <u>Ks.</u>	
OLD OR <u>NEW</u> (Circle one)				<u>6E 5/2 TO</u>			

CONTRACTOR Picknell #10

TYPE OF JOB O.H.P.

HOLE SIZE 7/8 T.D. 1100

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 DEPTH 1100

TOOL _____ DEPTH _____

PRES. MAX — MINIMUM —

MEAS. LINE _____ SHOE JOINT —

CEMENT LEFT IN CSG. —

PERFS. _____

DISPLACEMENT Fresh Water + Mud

OWNER American Energies

CEMENT AMOUNT ORDERED 1605x60:40:4

EQUIPMENT

PUMP TRUCK CEMENTER David W.

372 HELPER Mike B.

BULK TRUCK DRIVER Clint W.

381 DRIVER _____

COMMON	<u>96</u>	<u>A</u>	@	<u>10.65</u>	<u>1022.40</u>
POZMIX	<u>64</u>		@	<u>5.80</u>	<u>371.20</u>
GEL	<u>6</u>		@	<u>16.65</u>	<u>99.90</u>
CHLORIDE			@		
ASC			@		
RECEIVED					
<u>JUN 23 2006</u>					
KCC WICHITA					
HANDLING	<u>166</u>		@	<u>1.90</u>	<u>315.40</u>
MILEAGE	<u>45</u>	<u>x 166</u>	<u>x</u>	<u>.08</u>	<u>597.60</u>
					TOTAL <u>2406.50</u>

REMARKS:

1st Plug 1100 FT Pump 21 BBLs, Water Mix 355x60:40:4 Displace 7 BBLs, 2nd Plug at 600 FT Pump 15 BBLs, Water Mix 355x60:40:4 Displace w/5 BBLs, Water 3rd Plug at 200 FT Mix 505x60:40:4 Displace w/1/2 BBLs 600 FT 255x60:40:4 Rate 155x Wash up Rig Down.

SERVICE

DEPTH OF JOB	<u>1100'</u>				
PUMP TRUCK CHARGE					<u>720.00</u>
EXTRA FOOTAGE			@		
MILEAGE	<u>45</u>		@	<u>5.00</u>	<u>225.00</u>
MANIFOLD			@		
			@		
			@		
					TOTAL <u>945.00</u>

CHARGE TO: American Energies

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

	@		
	@		
	@		
	@		

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.

ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING

TOTAL _____

TAX _____

TOTAL CHARGE ~~_____~~

DISCOUNT ~~_____~~ IF PAID IN 30 DAYS

SIGNATURE X Mike Kern

X Mike Kern
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 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 cement 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 willful 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.

menting Co.; Inc
31

1, KS 67665

* I N V O I C E *

Invoice Number: 102534

Invoice Date: 05/24/06

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

ENTD JUN - 5 ENTD

Cust I.D.....: Am Eng
P.O. Number...: Kostner 1-3 *owns*
P.O. Date.....: 05/24/06

Due Date.: 06/23/06
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	96.00	SKS	10.6500	1022.40	T
ozmix	64.00	SKS	5.8000	371.20	T
el	6.00	SKS	16.6500	99.90	T
handling	166.00	SKS	1.9000	315.40	T
ileage	45.00	MILE	13.2800	597.60	T
166 sks @.08 per sk per mi					
lug	1.00	JOB	720.0000	720.00	T
ileage pmp trk	45.00	MILE	5.0000	225.00	T

All Prices Are Net, Payable 30 Days Following
date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of \$ 335.15
ONLY if paid within 30 days from Invoice Date

Subtotal: 3351.50
Tax.....: 177.63
Payments: 0.00
Total....: 3529.13

21200

-335.15

3193.98

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Mud-Co / Service Mud Inc.

Operator American Energies Corp. County Kingman State Kansas Pump 6 x 14 x 8.22 SPM Casing Program 8 5/8 " @ 153 ft.
 Well Kostner #1-3 owwo Location _____ GPM _____ BPM _____ " @ _____ ft.
 Contractor Pickrell Drilling Sec 3 TWP 29 RNG 6W D.P. 4.5 in. 203 FT/MIN R.A. _____ " @ _____ ft.
 Stockpoint Pratt, Ks. Date 5/15/2006 Engineer Aaron Rush Collar 6.25 in. _____ ft. 369 FT/MIN R.A. * Total Depth 4235' ft.

DATE	DEPTH feet	WEIGHT lb/gal	VISCOSITY			GELS 10 sec / 10 min.	pH Strip _ Meter _	FILTRATION/FILTRATION ANALYSIS					SAND %	RETORT			L.C.M.	Pump Press. PSI	CUMULATIVE COST	REMARKS AND TREATMENT
			Sec API @ _ F	PV @ _ F	Yp			ml API	Cake 32nds	Pres. #/BBL	Cl ppm	Ca ppm		Solids %	Oil %	Water %				
5/15																			RURT	
5/16	424	8.6	37	5	25	15/20	12.0	n/c				4,000	80	1.9		98.1			1,541	Wash to bottom
5/17	4235	9.6	61	7	43	32/50	8.0	n/c	3			92m	7,060	3.8		96.2	3		3,544	CTCH/LOG
5/18	4235																		4,967	Plug Well
																			Reserve Pit: 80,000 ppm. Chloride 500 bbls. Volume	
																			had to bring out more mud to line pits	

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MUD-CO / SERVICE MUD INC.
 100 S. Main Suite #310
 Wichita, Ks. 67202
 316/264-2814 Fax: 316/264-5024

DRILLING MUD RECAP

Materials	Sacks	Amount	Materials	Sacks	Amount		Amount
C/S HULLS	87	1022.25					
LIME	3	24.75					
PREMIUM GEL	123	1260.75					
SALT CLAY	35	363.30					
SODA ASH 50#	2	38.20				Total Mud Cost	4700.23
STARCH	32	1408.00				Trucking Cost	982.50
X-CIDE 102W	2	582.98				Trucking Surcharge	147.38
						Taxes	
						TOTAL COST	5830.11