

**CONFIDENTIAL**

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: \_\_\_\_\_  
Operator Contact Person: Alan L. DeGood  
Phone: (316) (316) 263-5785  
Contractor: Name: C & G Drilling  
License: 32701  
Wellsite Geologist: Jim Hall

API NO. 15 - 197-20267-66-00  
County: Wabaunsee  
E/2 W/2 - SW - Sec. 2 S. R. 14S-8E  East  West  
1320 FSL feet from (S)N (circle one) Line of Section  
990 FWL feet from E / (W) (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW (SW)  
Lease Name: Stice Well #: 1-2  
Field Name: \_\_\_\_\_  
Producing Formation: Hunton

Designate Type of Completion:  
 New Well  Re-Entry  Workover  
 Oil  SWD  SIOW  Temp. Abd  
 Gas  ENHR  SIGW  
 Dry  Other (Core, WSW, Expl., Cathodic, etc)

Elevation: Ground: 1468' Kelly Bushing: 1473'  
Total Depth: 2182 Plug Back Total Depth: 2200'  
Amount of Surface Pipe Set and Cemented at 8 5/8" 20# @ 316' 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.

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. \_\_\_\_\_  
5/17/2006 5/24/06 6/12/06  
Spud Date or Date Reached TD Completion Date or Recompletion Date

**Drilling Fluid Management Plan** AK II NH 7-30-08  
(Data must be collected from the Reserve Pit)  
Chloride content 1,100 ppm Fluid volume 2,000 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: 9/11/06  
Subscribed and sworn to before me this 11th day of Septmber, 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 App. Expires 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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Operator Name: American Energies Corporation Lease Name: Stice Well: 1-2  
 Sec. 2 Twp. 14S S. R. 8E  West County: Wabaunsee

**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: Gamma Ray/Cement Bond, Dual Induction Compensated Density/Neutron PE, Micro Log	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum Name Top <input checked="" type="checkbox"/> Sample Datum See attached Drilling Report <div style="text-align: right; margin-top: 20px;">                     KCC                      SEP 11 2007                      CONFIDENTIAL                 </div>
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CASING RECORD <input type="checkbox"/> New <input checked="" 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"	20#	316'	60/40 poz	160 sx	2% gel, 3% CC
Production	7 7/8"	5 1/2"	15.5#	2240'	Regular	150 sx	2% gel, 1% 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 SPF	1898-1900	1200 gallons MCA acid 10 bbbls SW	1920'
4 SPF	1908-1910		

TUBING RECORD	Size 2 7/8"	Set At 1930'	Packer At 1950'	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumed Production, SWD or Enhr. 8/16/06	Producing Method <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 Bbbls 10	Gas Mcf	Water Bbbls 10 BWPD	Gas-Oil Ratio Gravity

Disposition of Gas  Vented  Open Hole  Other Specify \_\_\_\_\_

METHOD OF COMPLETION  Dually Comp.  Commingled \_\_\_\_\_

(If vented, Sumit ACO-18.)

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# TIGHT HOLE

## AMERICAN ENERGIES CORPORATION

### DRILLING AND COMPLETION REPORT

Stice #1-2

**LOCATION:** E/2 W/2 SW  
 Section 2-T14S-R8E  
**API:** 15-197-20267

**SURFACE CASING:** 8 5/8" 20# @ 316'  
 Circ. Gd returns  
**PRODUCTION CASING:** 5 1/2" 15.5# @ 2237'

**COUNTY:** Wabaunsee County, Kansas  
**CONTRACTOR:** C & G Drilling 1-620-583-3441  
 Tim Gulik 1-620-583-4306  
**GEOLOGIST:** Jim Hall 316-217-1233

**PROJECTED RTD:** 2200'

**NOTIFY:** American Energies Corp.,  
 Alan L. DeGood Family Trust,  
 Debbie Schmitt, LLC,  
 Dot Oil Co., Gar Oil Corporation,  
 Helen Petrol, Inc., Hyde-Marrs, Inc.,  
 Stang Properties, LLC,

**G.L.:** 1468' **K.B.:** 1473'  
**SPUD DATE:** 5/17/06  
**COMPLETION DATE:** 6/12/06  
**REFERENCE WELLS:**  
 #1: Johnson #1 E2 E2 SE 3-T14S-R8E  
 #2: Stice #1 NW SW NW 11-T14S-R8E  
 #3: Roberts #2 NE NW SW 11-T14S-R8E

FORMATION:	SAMPLE LOG:					ELECTRIC LOG TOPS:				
	COMPARISON:					COMPARISON:				
			#1	#2	#3	#1	#2	#3		
Lansing	1404	+71	-14	-12	+92	1403	+72	-13	-11	+93
Base of Kansas City	1710	-235	-9	-18	-20	1709	-234	-8	-17	-19
Cherokee Shale	1846	-371	-8	-13	abs	1840	-365	-2	-7	abs
Upper Hunton	1898	-423	-8	-13	abs	1896	-419	-6	-11	abs
Viola	2003	-528	+62	+31	+42	2008	-533	+57	+26	+37
Simpson	2100	-625	+47	abs	abs	2106	-631	+41	abs	abs
Arbuckle	2190	-715	abs	+28	abs	2196	-721	abs	+22	abs

5/16/06 MIRU C&G Drilling. SION  
 5/17/06 Spudded at 7:00 a.m. Drilled surface hole to 309'. Ran in 8-5/8" 20# surface casing set at 316'. Cemented surface casing with 160 sx Class A cement, 3% CaCl, 2% gel, and 1/4# per sx flocele. Plug down at 4:00 a.m. on 5/18/06.  
 5/18/06 W.O.C.  
 5/19/06 Drilling Ahead at 1520', mudding up.  
 5/20/06 Drilling ahead at 1820' expect Hunton in next 40'  
 DST #1 Upper Hunton 1901-11', 30-60-30-90  
 Recovered 2' of clean oil, 13' SLOCM 4% oil, 96% mud  
 IFP: 13-22#, ISIP: 615#, FFP: 23-28#, FSIP: 620#  
 5/21/06 Preparing to run DST #2 Hunton zone at 1920'. DST #2: 1905-1920 (Hunton). Times: 30-60-45-90. Weak blow, recovered 20' Oil, 25' MO (80% Oil, 20% Mud), 30' HOCM (15% Oil, 40% Water, 45% Mud). IHP: 932#, IFP: 16-34#, ISIP: 534#, FFP: 38-51, FSIP: 528#, FHP: 915#. Chlorides: 6300 PPM.  
 5/22/06 At 2015' and preparing to run DST #3 - Results DST #3: 2008-2015 (Viola). Times: 30-60-45-90, Recovered 100' clean oil, 25' OCMW (10% O, 15%M, 75%W), Oil - 22 degree gravity. Chlorides 9,200 PPM. IHP: 999#, IFP: 15-34# - weak blow, ISIP: 672#, FFP: 39-63# - weak blow, FSIP: 672, FHP 972# - Preparing to drill ahead.  
 5/23/06 At 2135' and drilling slowly in the Simpson sand, looking for new live shows and the Arbuckle. Should reach the Arbuckle at approximately 2170'. Total depth should be at approximately 2200'.  
 5/24/06 At 2,250' in the Arbuckle. Conditioning hole and rigging up ELI to run open hole logs. Will complete logging hole and prepare to run production casing. At 11:44 a.m. Ran 5 1/2" 15.5# production casing set @ 2237' with 150 sx Class A Common cement, gilsenite and gel. P.D. @ 11:15, plug held, released rig.  
 FINAL DRILLING REPORT - COMPLETION INFORMATION TO FOLLOW WHEN WE MOVE IN COMPLETION RIG

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Stice #1-2  
E/2 W/2 SW/4 Section 2-T14S-R8E  
Wabaunsee County, Kansas

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**COMPLETION INFORMATION AS FOLLOWS:**

- 6/12/06 MICU – Pressure tested – casing held fine. Swabbed well down, will perforate the Viola today and acidize tomorrow.
- 6/13/06 Treated Viola perfs 2013-17' with 1250 gallons MCA, pressured up to 1000#, released pressure. Continued to work from 1000 to 0# – fed 1-2 barrels into formation, left shut-in over night with acid in hole to allow it to soak.
- 6/14/06 ONFU – down 400' all acid soaked into hole. Ran tubing back to 2025', swabbed down to 1200'. Swabbing 5 BPH after treatment. Came out of hole with tubing with good show of Oil.
- 6/15/06 Rigged up Midwest Survey – went in hole, perforated Hunton zone 1898-1900' and 1908-1910' – 4 SPF. Rigged up Hurricane Services – will set bridge plug @ 1920', will leave packer hanging and prepare to acidize well tomorrow.
- 6/16/06 Unable to get Acid truck. Will Acidize Monday
- 6/19/06 SI over weekend
- 6/20/06 SICP: 0#, went in hole with RBP, set between Viola and Hunton perfs. Rigged up Hurricane Chemical Service. Treated well with 1200 gallons MCA acid and 10 bbls of saltwater. Average treatment pressure: 600#, breakdown pressure: 1100#, average treatment rate: 1 BPM, total load: 44 bbls. Started swabbing back, swabbed down, kicking in about 1.5 bbls fluid per hour with good show of oil.
- 6/21/06 ONFU: 1100' fluid, swabbing 2-5 bbls of fluid per hour, 50% oil. Tripped out of hole, went back in hole with stringer to release RBP, got on and released, BP came out of hole. Tripped in hole with 2 7/8" tubing and mud anchor. SION
- 6/22/06 Finished running 2 7/8" tubing, rigged over and ran 3/4" rod and 2 1/2 X 2 X 12 BHP. Rigged down completion unit.
- 6/27/06 Building pad for tanks.
- 7/12/06 Setting up tank battery. Waiting on the Kansas Department of Transportation to approve permit for Highway 4 road bore.
- 8/1/06 Continuing to set equipment. Well should be producing 8/7/06.
- 8/15/06 Started pumping. Pumping fluid with show of oil. Will be pumping well down. Filling gun barrel and tank battery.
- 8/16/06 Pumping @ 225 BF/D. 54" stroke, 9 SPM. Cutting @ 1% oil, water should decrease and oil should increase.
- 8/25/06 Pumping 275 BF/D with a scum of oil. We will move a Workover rig in and set a packer between the Hunton perfs and Viola
- 9/01/06 Pumping, filling Gunbarrel, came in over into Stock Tank, making 3 BO/Day, pumping 2.82 barrels of fluid per day. Will set P-Plug between Viola & Hunton perfs to produce Hunton.
- 9/05/06 Rigged up AEC Workover rig. Pulled rods and tubing. Rigged up Gressel Oilfield Services. Ran 4 1/2" **bridge plug and set @ 1950'**. Ran tubing and rods back in hole. Set up to **produce Hunton zone only**. Fluid level in casing was 300' from surface – all oil (1600'). Calculated bottomhole pressure is 630#. Rigged down and released rig.

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CONSOLIDATED OIL WELL SERVICES INC.

P.O. BOX 884, CHANUTE, KS 66720

620-431-9210 OR 800-467-8676

TICKET NUMBER

09940

LOCATION EUREKA

FOREMAN Kevin McCoy

TREATMENT REPORT & FIELD TICKET  
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
5-18-06	1040	Stice 1-2	2	145	8E	WABARNSSEE	
CUSTOMER <u>AMERICAN ENERGYS CORPORATION</u>			C & G DRIG. Co.	TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS <u>155 N. MARKET STE 710</u>				445	RICK L.		
CITY <u>Wichita</u>				439	JUSTIN		
STATE <u>KS</u>							
ZIP CODE <u>67202</u>							

JOB TYPE SURFACE HOLE SIZE 12 1/4 HOLE DEPTH 320' CASING SIZE & WEIGHT 8 5/8 24 \* Neu  
 CASING DEPTH 316' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 14.8 # SLURRY VOL 38 BBL WATER gal/sk 6.5 CEMENT LEFT in CASING 20'  
 DISPLACEMENT 18.75 BBL DISPLACEMENT PSI 300 ~~MAX~~ PSI 150 Shut IN RATE \_\_\_\_\_

REMARKS: Safety Meeting: Rig up to 8 5/8 casing. BREAK CIRCULATION 10 BBL  
Fresh water, Pump 8 BBL Dye water. Mixed 160 SKS Regular Cement w/ 3%  
CaCl2, 2% Gel, 1/4 \* Flocele per/sk, @ 14.8 # per/gal, yield 1.35. Displace w/  
18.75 BBL Fresh water. Shut casing in @ 150 PSI. Good Cement Returns to  
SURFACE = 10 BBL slurry. Job Complete. Rig down.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401 S	1	PUMP CHARGE	620.00	620.00
5406	80	MILEAGE	3.15	252.00
1104	160 SKS	Regular CLASS "A" Cement	11.25	1800.00
1102	450 #	CaCl2 3%	.64 *	288.00
1118 A	300 #	Gel 2%	.14 *	42.00
1107	50 #	Flocele 1/4 * per/sk	1.80 *	90.00
5407 A	7.52 TONS	80 miles BULK TRUCK	1.05	631.68
			Sub Total	3723.68
			SALES TAX	145.41
			ESTIMATED TOTAL	3869.09

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Thank you 6.55%

AUTHORIZATION witnessed By Terry Gulick TITLE Toolpusher / C & G DRIG. DATE \_\_\_\_\_

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CONSOLIDATED OIL WELL SERVICES, INC.  
P.O. BOX 884, CHANUTE, KS 66720  
620-431-9210 OR 800-467-8676

TICKET NUMBER 09992  
LOCATION EUREKA  
FOREMAN Kevin McCoy

TREATMENT REPORT & FIELD TICKET  
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
5-24-06	1040	Stke 1-2	2	145	8E	WABARNEE	
CUSTOMER <u>AMERICAN ENERGIES CORP.</u>			C & G Daly.	TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS <u>155 N. MARKET ST. Ste 710</u>				445	RICK L.		
CITY <u>Wichita</u>				442	RICK P.		
STATE <u>KS</u>							
ZIP CODE <u>67202</u>							

JOB TYPE Longstring HOLE SIZE 7 7/8 HOLE DEPTH 2250' CASING SIZE & WEIGHT 5 1/2 15.50" used  
 CASING DEPTH 2240' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER PBTD 2200'  
 SLURRY WEIGHT 14.2\* SLURRY VOL 38 BBL WATER gal/sk 6.5 CEMENT LEFT in CASING 40'  
 DISPLACEMENT 52.6 BBL DISPLACEMENT PSI 500  PSI 1000 Bump Plug RATE \_\_\_\_\_

REMARKS: Safety Meeting: Rig up to 5 1/2 casing. Pump 20 BBL Pre Flush. Mixed 150 sks Regular Cement w/ 2% Gel, 1% CaCl2, 4" Kol-Seal per/sk @ 14.2\* per/gal, yield 1.41. Wash out Pump & Lines. Shut down. Release Plug. Displace w/ 52.6 BBL Fresh water. Final Pumping Pressure 500 psi. Bump Plug to 1000 psi. Wait 2 minutes. Release Pressure. Float Hold. Good Circulation @ ALL times while Cementing. Job Complete. Rig down.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	800.00	800.00
5406	80	MILEAGE	3.15	252.00
1104 S	150 sks	Regular Class "A" Cement	11.25	1687.50
1118 A	300 *	Gel 2%	.14 *	42.00
1102	140 *	CaCl2 1%	.64 *	89.60
1110 A	600 *	Kol-Seal 4" per/sk	.36 *	216.00
1238	2 gals	FOAMER Pre Flush	33.75	67.50
5407 A	7.05 Tons	80 miles Bulk Truck	1.05	592.20
4406	1	5 1/2 Top Rubber Plug	45.00	45.00
4203	1	5 1/2 Guide shoe	114.00	114.00
4228	1	5 1/2 AFU INSERT FLOAT Valve	163.00	163.00
4130	5	5 1/2 x 7 7/8 Centralizers	32.00	160.00
Sub Total				4228.80
THANK YOU			6.55%	SALES TAX
				ESTIMATED TOTAL
				1164.88
				4393.68

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THANK YOU

6.55%

SALES TAX 1164.88  
ESTIMATED TOTAL 4393.68

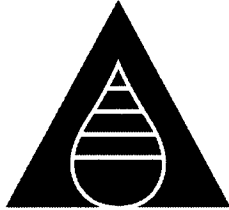
AUTHORIZATION Witnessed By Steve Moore

TITLE Co. Rep.

DATE \_\_\_\_\_

205688

09/11/08



American Energies  
Corporation

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September 11, 2006

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

Kansas Corporation Commission  
130 S. Market, Room 2078  
Wichita, KS 67202

RE: **Tight-Hole – Stice 1-2**  
**E/2 W/2 SW Section 2-T14S-RE**  
**Wabaunsee County, KS**  
**API#: 15-197-20267**

To Whom It May Concern:

Please be advised, American Energies Corporation would like to hold all information regarding the above referenced well **confidential** for the maximum allowed period of time. Thank you!

Sincerely,

Mindy Wooten  
Production Manager

MSW/tbm  
cc

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