

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: American Energies Pipeline
Operator Contact Person: Alan L. DeGood
Phone: (316) (316) 263-5785
Contractor: Name: C & G Drilling
License: 32701
Wellsite Geologist: Jacelyn Venhaus/Doug Davis

API NO. 15 - 115-21356-0000
County: Marion
S/2 NW - NW - SW Sec. 23 S. R. 19-1 East West
2190' FSL feet from (S) N (circle one) Line of Section
330' 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: Kessler Well #: 1-23
Field Name: _____
Producing Formation: Mississippian

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

Elevation: Ground: 1492 Kelly Bushing: 1500'
Total Depth: 3232' Plug Back Total Depth: 2872'
Amount of Surface Pipe Set and Cemented at 8 5/8" 23# @ 213' 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. _____
5/30/2006 6/5/06 7/17/06
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content 7,000ppm Fluid volume 800 bbls
Dewatering method used Evaporation and backfilled
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec _____ Twp _____ S. R. East West
County: _____ Docket No.: _____

AKI-Dlg-11/25/08

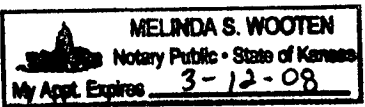
INSTRUCTIONS: An original and two copies of this form shall be filed with Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side 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: 9/12/06

Subscribed and sworn to before me this 12th day of September, 2006

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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Operator Name: American Energies Corporation Lease Name: Kessler Well: 1-23
 Sec. 23 Twp. 19S S. R. 1E West County: Marion

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:
 Gamma Ray Neutron, Dual Receiver Cement Bond,
 Dual Induction, Compensated Density/Neutron PE
 Micro Log

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

See attached Drilling Report

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"	23#	225 KB	60/40 poz	115 sx	2% gel, 3% CC
Production	7 7/8"	4 1/2"	10.5# Used	2892'	Class A Common	100 sx	Gilsonite

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	2770-2772	Acidized with 750 gallons MCA	
4 SPF	2776-2779		

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 3/8"	2820'		<input type="checkbox"/> Yes <input type="checkbox"/> No

Date of First, Resumed Production, SWD or Enhr.	Producing Method
9/6/06	<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 5 Gas Mcf 35 Water Bbls 100 bwpd Gas-Oil Ratio Gravity

Disposition of Gas Vented Open Hole Other Specify Other Specify

METHOD OF COMPLETION Open Hole Dually Comp. Commingled

(If vented, Sumit ACO-18.)

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

TICKET NUMBER 10039
 LOCATION Eureka
 FOREMAN Brad Butler

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
5-30-06	1040	Kessler 1-23	23	19s	1E	Marion	
CUSTOMER American Energies Corp.			CIG Drlg CO.	TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS 155 N. Market ST, Ste 710				446	SCOTT		
CITY STATE ZIP CODE Wichita Ks. 67202				479	Calin		

JOB TYPE Surface HOLE SIZE 12 1/4" HOLE DEPTH _____ CASING SIZE & WEIGHT 8 5/8"
 CASING DEPTH 225' K.B. DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 14.8 SLURRY VOL 28 Bbls WATER gal/sk 6.5 CEMENT LEFT in CASING 20'
 DISPLACEMENT 13 Bbls DISPLACEMENT PSI _____ MIX PSI _____ RATE _____

REMARKS: Safety Meeting: Rig up to 8 5/8" casing. Break circulation with 10 Bbl water.
Mixed 115 sks Reg cement w/ 2% Gel, 3% CACL2, 1/4" 1 1/2 sk of Floccle at 14.8 lb p/60L
Displaced cement with 13 Bbls water. Shut down - close casing in.
Good cement returns to surface with 6 Bbl slurry
Job complete - Tear down

"Thanks"

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
54015	1	PUMP CHARGE	620.00	620.00
5406	80	MILEAGE	3.15	252.00
11045	115 SKs	Regular - class A cement	11.25	1293.75
1118A	200 lbs	Gel 2%	.14*	28.00
1102	325 lbs	CACL2 3%	.64*	208.00
1107	25 lbs	Floccle 1/4" 1 1/2 sk	1.80*	45.00
5407A	5.41 Ton	80 miles - Bulk Trk	1.05	454.44
			Sub Total	2901.19
			SALES TAX 6.3%	99.21
			ESTIMATED TOTAL	3000.40

AUTHORIZATION Witnessed by Duke Coulter

TITLE CIG Drlg CO.

DATE _____ RECEIVED

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REMIT TO
Consolidated Oil Well Services, Inc.
Dept. 1228
Denver, CO 80256

MAIN OFFICE
P.O. Box 884
Cherokee, KS 66720
620/431-9210 • 1-800/467-8678
FAX 620/431-0012

INVOICE

Invoice # 206086

Invoice Date: 06/14/2006 Terms:

Page 1

AMERICAN ENERGIES CORPORATION
155 N. MARKET SUITE 710
WICHITA KS 67202
(316)263-5785

KESSLER 1-23
10074
06-05-06

Part Number	Description	Qty	Unit Price	Total
1131	60/40 POZ MIX	125.00	9.3500	1168.75
1118A	S-5 GEL/ BENTONITE (50#)	400.00	.1400	56.00
1107	FLO-SEAL (25#)	25.00	1.8000	45.00
1104S	CLASS "A" CEMENT (SALE)	100.00	11.2500	1125.00
1118A	S-5 GEL/ BENTONITE (50#)	200.00	.1400	28.00
1102	CALCIUM CHLORIDE (50#)	95.00	.6400	60.80
1110A	KOL SEAL (50# BAG)	400.00	.3600	144.00
1238	SILT SUSPENDER SS-630, ES	1.00	33.7500	33.75
4404	4 1/2" RUBBER PLUG	1.00	40.0000	40.00
4201	GUODE SHOE 4 1/2"	1.00	97.0000	97.00
4226	INSERT FLOAT VALVE W/ AF	1.00	123.0000	123.00
4129	CENTRALIZER 4 1/2"	5.00	29.0000	145.00
Description		Hours	Unit Price	Total
439	TON MILEAGE DELIVERY	403.20	1.05	423.36
442	TON MILEAGE DELIVERY	403.20	1.05	423.36
446	CEMENT PUMP	1.00	800.00	800.00
446	EQUIPMENT MILEAGE (ONE WAY)	80.00	3.15	252.00

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Parts:	3066.30	Freight:	.00	Tax:	191.06	AR	5156.08
Labor:	.00	Misc:	.00	Total:	5156.08		
Sublt:	.00	Supplies:	.00	Change:	.00		

Signed _____

Date _____

BARTLETT, OK
P.O. Box 1453 74005
918/338-0808

EUREKA, KS
820 E. 7th 67045
620/683-7664

OTTAWA, KS
2831 So. Eisenhower Ave. 66067
785/242-4044

GALETTA, WY
300 Enterprise Avenue 82716
307/688-4916

THORNTON, KS
8855 Don Road 68778
685/538-5288

**AMERICAN ENERGIES CORPORATION
DRILLING AND COMPLETION REPORT
Kessler #1-23 (Lehigh North Prospect)**

LOCATION: W/2 NW SW Section 23-T19S-R1E

SURFACE CASING: 213' 23# 8 5/8" @ 225'KB

COUNTY: Marion County
API: 15-115-21356-0000

PRODUCTION CASING: 4 1/2"
RTD: 3232'

CONTRACTOR: C & G Drilling
Tim Gulik 1-620-583-4306
Duke - 1-620-750-0369

G.L.: 1491.7 **K.B.:**1500'

GEOLOGIST: Jackie Venhaus/Doug Davis

SPUD DATE: 5/30/06
COMPLETION DATE: 7/17/06

NOTIFY: American Energies Corp.,
Debbie Schmitt, LLC, Thomas C. Hyde,
Dot Oil Co., Helen Petrol, Inc., Gar Oil Corp.,
Alan L. DeGood Family Trust dtd 8/30/05,
Stang Properties, LLC

REFERENCE WELLS:
#1: Wasemiller #1 – NW NW SW 23-19-1E
#2: Groening #1 – NW NE SE 22-19-1E

FORMATION:	SAMPLE LOG:	COMPARISON:				ELECTRIC LOG TOPS:	COMPARISON:	
		#1	#2	#1	#2		#1	#2
Heebner	1942' - 442'	+6'	+7'	1953	-453	-3	-2	
Lansing	2172' - 672'	+6'	+9'	2180	-680	-2	+1	
Stark	2448' - 948'	+5'	+6'	2458	-958	-3	-4	
Cherokee Sh	2687' - 1187'	+8'	+4'	2695	-1195	Flat	-4	
Miss. (Warsaw)	2762' - 1262'	+7'	-4'	2768	-1268	+1	-2	
Miss (Osage)	2768' - 1268'	+17'	+19'	2790	-1290	-5	-3	
Kinderhook	2972 - 1472	+7	Flat	2980	-1480	-1	-8	
Viola	3202 - 1702	+5	+1	3212	-1712	-5	-9	
RTD	3232 - 1732			3242	-1742			

5/27/06 MIRT

5/30/06 Should spud well today.

5/31/06 Drilling ahead at 475' @. 8:00 a.m. Spud well @ 12:30 p.m. on 5/30/06. Ran 213' of 8 5/8" 23# surface casing, set @ 225' KB. Cemented with 115sx 60/40 poz, 3% CaCl. Cementing completed @ 8:30 p.m. Cementing by Consolidated. Cement did circulate.

6/1/06 Drilling ahead at 2562'. Mud weight 9.3#, viscosity 34, Straight hole tests: 507' – 1/2 degree, 1059' – 1'2 degree, 1498' – 3/4 degree, 2001' – 3/4".

6/2/06 8:00 a.m. Coming out with DST #1. Bit trip 2710'. DST #1 2763-72' Miss. (Warsaw & Osage), Results DST #1: 1st Open Weak blow decreasing, 2nd Open off bottom, plugged off bottom. Recovered 125' SLGCM, 245' GIP, IHP: 1382#, IFP: 1328-1046#, ISIP: 1309#, FFP: 52-102#, FSIP: 569 Building, FHP: 1331#, 2767' circ. - staining, 2772' circ. - live oil with gas bubbles, 1:30 p.m. Preparing to come out for DST #2 2762-86'.

6/3/06 Drilling ahead at 2905'. Results DST #2: 2764-2786'. Times: 30-60-30-60. 1st opening: BOB, GTS in 9 min, gauged 23 MCF building to 39 MCF, strong blow throughout 1st and 2nd shut-ins, 2nd opening – strong blow off BOB immediately. GTS immediately, gauged 52 MCF – declined to 48 MCF at end of 2nd flow. Recovered 460' of total fluid, break down – 95' SLG & OCM (5% gas, 4% oil, 91% mud), 365' G & OCMW (12% gas, 12% oil, 17% mud, 59% water). IFP: 137-153#, FFP: 149-195#, ISIP: 645#, FSIP: 644, IHP: 1325#, FHP: 1334#, BHT: 107 degrees.

6/4/06 Drilling ahead @ 3040'.

6/5/06 Preparing to run 4 1/2" production casing to 2850' for Mississippian completion. LTD and tops are 10' lower than drilling tops.

Ran 75 jts 4 1/2" 10.5# used production casing set @ 2892'. Shoe joint and insert float @ 2872'. Ran 5 centralizers. Cementing information: Ran 20 bbls flush, 100 sx 60/40 Pozmix, 100 sx Class A Common with Gilsonite. Plug down at 4:00 p.m. on 6/5/06.

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COMPLETION INFORMATION AS FOLLOWS:

- 7/17/06 MI AEC's Completion unit. Tripped in hole with tubing and bit. Found PBTB @ 2872'. Circulated hole clean. Tripped out of hole. SI
- 7/18/06 Rigged up Midwest Service. Ran Cement Bond Log – good bonding. Top of cement @ 1800' in Douglas formation. Perforated the Mississippian from 2770-72 and from 2776-79' with 4 SPF. Swabbed well down. Acidized with 750 gallons MCA. SI
- 7/19/06 Started swabbing, got back good show of oil and gas. Ran 2 3/8" tubing and SN, set @ 2820'. Rigged over and ran 2 X 1 1/2 X 12' BHP with 3/4" rods. Rigged down and moved CU off.
- 8/25/06 Moving in completion unit on Wasse Miller (old SWD) to plug off Viola and Mississippian to prevent communication between zones. Wasse Miller is 660 feet from the Kessler 1-23.

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