

KANSAS CORPORATION COMMISSION
OIL & GAS DIVISION

Form ACO-1
September 1999
Form Must Be Typed

ORIGINAL

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, LLC
 Operator Contact Person: Alan L. DeGood
 Phone: (316) (316) 263-5785
 Contractor: Name: Pickrell Drilling
 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. _____
7/18/2006 7/28/06 8/2/06
 Spud Date or Date Reached TD Completion Date or
 Recompletion Date Recompletion Date

API NO. 15 - 095-22046-0000
 County: Kingman
 N/2 NE - NE - _____ Sec. 16 S. R. 27-7 East West
330' FNL feet from S / N (circle one) Line of Section
660' 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: Wooldridge A Well #: A 3-16
 Field Name: Kingman
 Producing Formation: Mississippian
 Elevation: Ground: 1524' Kelly Bushing: 1529'
 Total Depth: 4025' Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 8 5/8" 23# @ 231' 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.
Att-1-Dlg-11/25/08

Drilling Fluid Management Plan
 (Data must be collected from the Reserve Pit)
 Chloride content 22,000 ppm Fluid volume 900 bbls
 Dewatering method used Hauled water to Messenger's Nicholas SWD
 Location of fluid disposal if hauled offsite: _____
 Operator Name: Messenger Petroleum
 Lease Name: Nicholas SWD License No.: 4706
 Quarter NE/4 Sec 20 Twp 30S S. R. 8W East West
 County: Kingman County Docket No.: D27434

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 September,
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 Date: _____
 Wireline Log Received
 UIC Distribution **RECEIVED**
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Operator Name: American Energies Corporation Lease Name: Wooldridge Well: A 3-16
 Sec. 16 Twp. 27S S. R. 7W 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 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: Dual Induction, Sonic Cement Bond Compensated Density/Neutron PE	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum Name Top See attached Drilling Report	<input checked="" type="checkbox"/> Sample Datum
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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"	23#	231'	60/40 poz	190 sx	2% gel, 3% CC
Production	7 7/8"	4 1/2"	10.5#	3939'	ASC	125 sx	5# KC per 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 checked="" type="checkbox"/> Plug Off Zone	3820'	Class A	75 sx total	50 sx A Neat, 25 sx A + 2% 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
2 SPF	3798-3806	500 gallons 15% double FE	

TUBING RECORD	Size 2 3/8"	Set At 3692'	Packer At 3692'	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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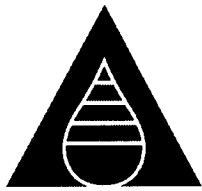
Date of First, Resumed Production, SWD or Enhr. 8/18/06	Producing Method Flowing <input checked="" type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) <input type="checkbox"/>
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Estimated Production Per 24 Hours	Oil Bbls	Gas Mcf	Water Bbls	Gas-Oil Ratio	Gravity
		250	2.5 BWPD		

Disposition of Gas Vented Open Hole Other Specify Dually Comp. Commingled

(If vented, Sumit ACO-18.)

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American Energies
Corporation

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

DRILLING and COMPLETION REPORT
Wooldridge A #3-16

LOCATION: N/2 NE NE Section 16-T27S-R7W
COUNTY: Kingman
API: 15-095-22,046
CONTRACTOR: Pickrell Drilling, Rig 1
GEOLOGIST: David Goldak

SURFACE CASING: 8 5/8" 23# @ 231' KB
PRODUCTION CASING: 4-1/2" 10.5# 3939'
PROJECTED RTD: 4000'
G.L.: 1524' **K.B.:** 1529'
SPUD DATE: 7/18/06
COMPLETION DATE: 8/17/06

NOTIFY: American Energies Corp.,
Dianne Y. DeGood Family Trust,
Fred C. Aldridge, Jr., Mohican Petroleum,
Gar Oil Corp., Jean Poindexter,
Spring Creek Resources, LLC,
Lario Oil and Gas, R & T Investments,

REFERENCE WELLS:
#1: Hi-Energy #2 Wooldridge, 570' FNL &
1575' FEL Sec. 16-27S-7W (Plugged producer)
#2: Hi-Energy #1 Wooldridge, 795' FSL &
1266' FWL of NE/4 Sec. 16-27S-7W (Producer)

FORMATION:	SAMPLE LOG:				ELECTRIC LOG TOPS:				
	COMPARISON:				COMPARISON:				
		#1	#2		#1	#2		#1	#2
Chase	1178	+ 351	+ 8	- 9	1179	+ 350	+ 7	+ 8	
Winfield	1240	+ 289	+ 4	- 7	1240	+ 289	+ 4	- 7	
Towanda	1314	+ 215	+ 2	- 8	1313	+ 216	+ 3	- 7	
Ft. Riley	1355	+ 174	+ 1	- 8	1354	+ 175	+ 2	- 7	
Florence	1400	+ 129	+ 2	- 8	1400	+ 129	+ 2	- 7	
Wreford	1506	+ 23	+ 1	- 8	1506	+ 23	+ 1	- 8	
Red Eagle	1799	- 270	- 2	- 9	1799	- 270	- 2	- 9	
Onaga	1956	- 427	- 1	-10	1956	- 427	- 1	-10	
Indian Cave	1969	- 440	- 2	- 6	1969	- 440	- 2	- 6	
Wabaunsee	2001	- 472	Flat	-11	2002	- 473	- 1	-12	
Heebner	2902	-1373	- 5	-13	2906	-1377	- 9	-17	
Toronto	2922	-1393	- 3	-13	2922	-1393	- 3	-13	
Douglas	2975	-1446	-14	-15	2976	-1447	-15	-16	
Brown Ls	3091	-1562	+ 9	- 3	3092	-1563	+ 8	- 4	
Lansing	3107	-1578	+ 9	- 4	3108	-1579	+ 8	- 5	
Dennis	3428	-1899	+ 6	- 4	3428	-1899	+ 6	- 4	
Base/KC	3557	-2028	+ 8	- 4	3557	-2028	+ 8	- 4	
Marmaton	3609	-2080	+ 6	- 8	3609	-2080	+ 6	- 8	
Cherokee	3690	-2161	+ 6	- 3	3692	-2163	+ 4	- 5	
Miss. Chert	3794	-2265	+12	- 5	3792	-2265	+12	- 5	
Mississippian LS	3860	-2331	- 5	- 2	3862	-2233	- 7	- 4	
Kinderhook	3976	-2447			3976	-2447	NP	NP	
RTD	4025				4026 - LTD				

7/17/06 MIRT and RURT

7/19/06 Drilling ahead at 70'. Spud well 7/18/06. Drilled 12 1/4" surface hole to 236'. SHT at 236' = 3/4 °.
Ran 5 jts of new 8-5/8" 23# surface casing at 231' KB. Cemented with 190 sx 60/40 poz, 2% gel,
3% CC. PD at 1:30 p.m. on 7/18/06. Allied Cementing Ticket #24554. WOC - approx. 8hrs.

7/20/06 Drilling ahead at 580'

7/21/06 Drilling ahead at 1289'. SHT at 739' = 1/2 °, at 1245' = 1/2 °.

7/22/06 Drilling ahead at 1814'. Results DST #1 1914-1972 (Indian Cave). Times: 30-60-30-60. Rec 130' M
ISIP: 615, FSIP: 520, IFP: 30-65, FFP: 79-94, BHT: 94, IHP: 950, FHP: 942.

7/23/06 Drilling ahead at 2010'.

7/24/06 Drilling ahead at 2669'.

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- 7/25/06 At 3444' tripping out with DST #2: 3412-3444 (Dennis), Times: 30-60-30-60. Recovered 240' MW, 70% Water, 30% Mud). Chlorides: 50,000 PPM. ISIP: 1363, FSIP: 1357, IFP: 22-90, FFP: 96-138, IHP: 1635, FHP: 1608, BHT: 120.
- 7/26/06 At 3760', circulating in the Mississippian. Preparing for DST #3. We are 22' high to the plugged producer located in the SE SW SE of Section 9.
- 7/27/06 Drilling ahead @ 3950' at 7:00 a.m. Results of DST #3: 3796-3804 (Mississippian Chert), Times: 30-60-30-60. 1st opening: gauged GTS in 4". Gauged 350 MCF in 10 minutes, 506 MCF in 20 minutes, 569 MCF in 30 minutes, 2nd opening: gauged 631 MCF in 10 minutes, 654 MCF in 20 minutes, and 654 MCF in 30 minutes. Recovered 180' WCM (20% W, 80% M). IFP: 92-130, ISIP: 1219, FFP: 119-140, FSIP: 1210, BHT: 108.
- 7/28/06 RTD 4025'. Running E-Logs. LTD 4026'. In process of setting 94 jts of New 4-1/2" 10.5# production casing set @ 3939', cmt w/125sx ASC w/5# KC/sx. 15 sx in RH of 60-40 poz, 4% gel. Allied Ticket #22743. Circulated throughout. Centralizer @ 3901', 3818', 3698', 3655'. Plug down 10:00 A.M. 7/28/06.

Due to the thick Chert section, our structural position reversed and the well was stopped at the Kinderhook Shale. We are 5' low to the well SE SW SE of Section 9-T27S-R7W which tested 1500' SW from the Viola, on the Miss. Chert., we were 22' high to this well.

FINAL DRILLING REPORT

COMPLETION INFORMATION

- 8/2/06 Rigged up Log-Tech, ran bond log and found little cement from 3794 to 3860. Decided not to perforate Mississippian pay zone. Ran 1' squeeze gun in and perforated from 3821 - 3822. Ran packer and 2 3/8" tubing to 3692 and set packer. Hooked up pressure truck and started pumping. Injection was 1 1/2 BPM at 650#. SION
- 8/3/06 Hooked up Allied, initial injection rate at 2 BPM, 1000#. Mixed 25 sx of Class A Cement with 2%CC and then 50 sx Class A Cement and pumped down:
1 BPM - pressure 200#
2 BPM - pressure 1000#
6 BPM - pressure 700#,
14 BPM - pressure 2200#
Shut In 5 min - pressure 1500#.
Pumped 1/4 bbl. - pressure 2200#
After 2 min. - pressure 2200#
After 2 more min. - pressure 2200#, stabilized
Release packer and circulate 1/4 bbls cement out of tubing. Set packer and pressured to 1500# for 2 min. Release packer and came out of hole. Pressured up to 500#. SION.
- 8/04/06 Ran bit and tubing and tagged cement at 3694' and hooked up pump and swivel and started drilling. Drilled down to 3760', started drilling faster, cement getting soft. At 3795', drilling to fast - 1 FPM. Shut down and pulled 2 jts. Stopped 25' above squeeze. SIOWE
- 8/07/06 Ran bit to bottom and drilled out cement. Ran bit all the way to bottom and circulated for 40 minutes. Pressured to up to 500# and held - pressured up to 1000# and held for 5 minutes. Released pressure and came out with tubing and bit. Hooked up Log Tech and ran bond log - looked great. **Perforated well from 3798-3806 with 2 SPF.** Came out with gun. **Ran packer and tubing to 3790' and set packer.** Started swabbing and hit fluid 350' from top. Swabbed down to SN and ran 15 minute test and recovered 50' fluid with trace of gas. SION. Will acid treat tomorrow.
- 8/08/06 Opening pressure: 0 TP, went down and tagged fluid - 600' fluid in hole, swabbed dry. Hooked up Jet Star Acid, loaded tubing with 500 gallons 15% double FE, 2 1/2 bbl SW. Started trying to break down perms. Took to 500# - bled back to 400#, took up to 500# - bled back to 400#, took to 500# and left @ 500# for 1 hour. Perfs not broke down. Decided to unseat packer and flush 1 bbl of acid, set packer, tried breaking down perms again. Took to 500# - finally started breaking perms at 500#. Pumped rate at 1/4 BPM, pressure fell to 150#, took rate to 1/2 BPM, treated at 250# at 1/2 BPM throughout treatment. Flushed acid with 1 bbl. ISIP: 100# in 1 minute - vacuum. Unhooked Jet Star - went in with swab hit fluid @ 150' down. Made 2 swabs - released packer. Started swabbing continuously. 1st hour recovered 23 bbls, 2nd hour recovered 14 bbls, 3rd hour, 2nd swab - well kicked off - flowed back 11 bbls in 3rd hour. CP: 50#. Next 1 1/2 hour recovered additional 6 bbls. CP: 125#. Total recovered fluid: 54 bbls. Total load - 67 bbls. Shut in for night.

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8/09/06 Opening pressures: 1100# TP, 950# CP. Will flow back well today. Opened choke to get fluid off formation. Got 2 bbls back and set choke at 12/64ths. CP: 800#, TP: 480#. Started testing, results as follows:

	<u>Casing Pressure</u>	<u>Tubing Pressure</u>	<u>Recovery</u>
1 st hour:	900#	660#	3 bbls fluid
2 nd hour:	950#	720#	1.16 bbls fluid
3 rd hour:	825#	620#	1.16 bbls fluid
4 th hour:	760#	600#	.84 bbls fluid
5 th hour:	760#	600#	1.16 bbls fluid

Shut-in for night

2 hours after shut-in CP: 1060#, TP: 930#

8/10/06 TP: 1000#, CP: 1100# Opening up choke, flowed 1-1/2 barrels of fluid. Pressure dropped to TP: 450#, CP: 700# on 12/64 choke. Flowed for ½ hour TP: 450#, CP: 750#. Shut in, and call for kill truck. Hooked up truck to tubing and pumped down 20 bbls salt water. Hooked up to backside and pumped down 40 bbls salt water, still CP: 650#. Let it set for 5 minutes and pumped another 6 barrels salt water down, still CP: 650#. Could not get well to die, now CP: 700#. Unhook truck and started swabbing back fluid.

1st hour: Recovered 27 barrels fluid

2nd hour: Recovered 11 barrels fluid

3rd hour: Well kicked off and flowed 10 barrels back.

4th hour: Well flowed 6 barrels fluid

SION

8/11/06 SITP: 1120#, SICP: 1075#. Opened choke to kick well off. Had fluid in 5 minutes. Set choke on 12/64ths, CP: 850, TP: 800# for 10 minutes, then set choke at 8/64ths for 5 hours. Tubing pressure after 5 hours was 740#, casing pressure was 920#. Made 2.5 bbls fluid. Flowing at the rate of 262 MCF/D. SION

8/12/06 Shut-in

8/14/06 Building pad for gas separator. Rained out.

8/15/06 Delivered gas separator. Connecting saltwater line

8/16/06 Delivered gas meter and drip.

8/17/06 Laying gas lines.

8/18/06 1st day of production

8/25/06 250 MCF/D for the week of August 21, 2006

9/01/06 Selling approximately 300 MCF/D C.P: 925#; T.P: 675#, trace of water

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ALLIED CEMENTING CO., INC. 22743

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

SERVICE POINT:
Medicine LDG.

DATE <u>7-28-06</u>	SEC. <u>16</u>	TWP. <u>27S</u>	RANGE <u>07W</u>	CALLED OUT <u>12:30 AM</u>	ON LOCATION <u>3:00 AM</u>	JOB START <u>8:30 AM</u>	JOB FINISH <u>9:30 AM</u>
LEASE <u>WOODRIDGE</u>		WELL # <u>A3-16</u>	LOCATION <u>Kingman Subway</u>	COUNTY <u>Kingman</u>	STATE <u>KS</u>		
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<u>4 1/2 N 1/2 E S1/4 T10</u>				

CONTRACTOR Pickrell
 TYPE OF JOB long string
 HOLE SIZE 7 7/8 I.D. 4625
 CASING SIZE 4 1/2 DEPTH 3939
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 DEPTH 4025
 TOOL _____ DEPTH _____
 PRES. MAX 400 PSI MINIMUM 100 PSI
 MEAS. LINE _____ SHOE JOINT 44 FT
 CEMENT LEFT IN CSG. 44 FT
 PERFS. _____
 DISPLACEMENT Kel/water 64 BBL/S
 EQUIPMENT _____

PUMP TRUCK CEMENTER David W.
 # 352 HELPER Mark C.
 BULK TRUCK _____
 # 389 DRIVER Thomas D.
 BULK TRUCK _____
 # _____ DRIVER _____

REMARKS:

Pipe on bottom Break pipe pump
 12 BBL/S ASF Plug Rate Mouse w/
 25sx 60' 40' 4 pump 125sx ASC +
 5# Kol-seal shut down wash pump
 7 lines Displace w/ Kel water
 slow Rate Bump Plug Float
 did Had wash up Rig Down.

CHARGE TO: American Energies
 STREET _____
 CITY _____ STATE _____ ZIP _____

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.

SIGNATURE x Thad Starr

OWNER American Energies

CEMENT

AMOUNT ORDERED 125sx ASC + 5#
Kol-seal 25sx 60' 40' 4
500gal ASF 7gals, Kel

COMMON	<u>15</u>	A	@	<u>10.65</u>	<u>159.75</u>
POZMIX	<u>10</u>		@	<u>5.80</u>	<u>58.00</u>
GEL	<u>1</u>		@	<u>16.65</u>	<u>16.65</u>
CHLORIDE			@		
ASC	<u>125</u>	A	@	<u>13.10</u>	<u>1637.50</u>
ASF	<u>500</u>	gal.	@	<u>1.00</u>	<u>500.00</u>
Clu Pro	<u>7</u>	gal.	@	<u>25.00</u>	<u>175.00</u>
Kol Seal	<u>625</u>	#	@	<u>.70</u>	<u>437.50</u>
			@		
			@		
			@		
			@		
HANDLING	<u>186</u>		@	<u>1.90</u>	<u>353.40</u>
MILEAGE	<u>35 X 186</u>	X	@	<u>.08</u>	<u>520.80</u>
					TOTAL <u>3858.60</u>

SERVICE

DEPTH OF JOB	<u>3939'</u>		
PUMP TRUCK CHARGE			<u>1610.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>35</u>	@	<u>5.00</u> <u>175.00</u>
MANIFOLD Head Rent		@	<u>100.00</u> <u>100.00</u>
		@	
		@	
TOTAL <u>1885.00</u>			

4 1/2" PLUG & FLOAT EQUIPMENT

1-Packer shoe	@	<u>1325.00</u>	<u>1325.00</u>
1-latch Down Plug	@	<u>325.00</u>	<u>325.00</u>
4-CENTRALIZERS	@	<u>45.00</u>	<u>180.00</u>
	@		
	@		

ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING TOTAL 1830.00

TAX _____
 TOTAL CHARGE ~~3858.60~~
 DISCOUNT ~~1830.00~~ IF PAID IN 30 DAYS

SIGNATURE x Thad Starr
 PRINTED NAME

RECEIVED
 SEP 3 2006
 KCC WICHITA

ALLIED CEMENTING CO., INC.

24554

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

SERVICE POINT:
med. lodge

DATE <u>7-18-06</u>	SEC. <u>16</u>	TWP. <u>27s</u>	RANGE <u>7W</u>	CALLED OUT <u>9:00 A.m.</u>	ON LOCATION <u>12:00 P.m.</u>	JOB START <u>1:00 P.m.</u>	JOB FINISH <u>1:40 P.m.</u>
LEASE <u>Woodridge</u>		WELL # <u>A3-16</u>	LOCATION <u>Kingman + Subway</u>		COUNTY <u>Kingman</u>	STATE <u>KS.</u>	
OLD OR <u>NEW</u> (Circle one)		<u>4 1/2 N - 1/2 E - S/S</u>					

CONTRACTOR Pickrell Drllg.
 TYPE OF JOB Surface Csg.
 HOLE SIZE 12 1/4 T.D. 236'
 CASING SIZE 8 5/8 DEPTH 231'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX 125 MINIMUM 75
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. 15' By Request
 PERFS. _____
 DISPLACEMENT 13 3/4 Bbls. Freshwater
 EQUIPMENT _____

OWNER American Energies
 CEMENT
 AMOUNT ORDERED 190 SX SX 60:40
+3%CC + 2%Gel

COMMON	<u>114</u>	<u>A</u>	@	<u>10.65</u>	<u>1214.10</u>
POZMIX	<u>76</u>		@	<u>5.80</u>	<u>440.80</u>
GEL	<u>3</u>		@	<u>16.65</u>	<u>49.95</u>
CHLORIDE	<u>6</u>		@	<u>46.60</u>	<u>279.60</u>
ASC			@		
			@		
			@		
			@		
			@		
			@		
			@		
			@		
HANDLING	<u>199</u>		@	<u>1.90</u>	<u>378.10</u>
MILEAGE	<u>35</u>	<u>x 199</u>	<u>x</u>	<u>.08</u>	<u>557.20</u>
					TOTAL <u>2919.75</u>

PUMP TRUCK CEMENTER Larry Dreiling
343 HELPER Steve Kramer
 BULK TRUCK
 # 389 DRIVER Greg Grieve
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

Pipe on Bottom - Break Circ
Mix + Pump 190 SX 60:40 3%CC
2%Gel. Release Plug. Displace
13 3/4 Bbls. Fresh H₂O. Shutt In.
Circ. 2 Bbls Cement to Pit

SERVICE

DEPTH OF JOB	<u>231</u>		
PUMP TRUCK CHARGE			<u>815.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>35</u>	@	<u>5.00</u> <u>175.00</u>
MANIFOLD		@	
<u>Head Rental</u>		@	<u>100.00</u> <u>100.00</u>
		@	

RECEIVED
 SEP 13 2006
 TOTAL 1090.00

CHARGE TO: American Energies
 STREET _____
 CITY _____ STATE _____ ZIP _____

KCC WICHITA PLUG & FLOAT EQUIPMENT

<u>wooden - 8 5/8</u>	@	<u>60.00</u>	<u>60.00</u>
	@		
	@		
	@		
	@		

ANY APPLICABLE TAX
 WILL BE CHARGED
 UPON INVOICING
 TOTAL 60.00

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.

TAX _____
 TOTAL CHARGE ~~1090.00~~
 DISCOUNT ~~1090.00~~ 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 a 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 cements 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 wilful 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.