

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION**

Notice: Fill out COMPLETELY
and return to Conservation Division
at the address below within
60 days from plugging date.

**Well Plugging Record
K.A.R. 82-3-117**

Form CP-4
December 2003
Type or Print on this Form
Form must be Signed
All blanks must be Filled

Lease Operator: American Energies Corporation
Address: 155 North Market, Suite 710, Wichita, KS 67202
Phone: (316) 263 - 5785 Operator License #: 5399
Type of Well: SWD BOR Docket #: E20159
(Oil, Gas, D & A, SWD, ENHR, Water supply Well, Cathodic, Other)
The plugging proposal was approved on: 2/11/2010 (Date)
by: Steve Bond (KCC District Agent's Name)
Is ACO-1 filed? X YES No ACO-1 Attached, as well
as logs and DST results
If not, is well log attached? X Yes No
Producing Formation(s): List All (if needed attach another sheet)
Depth to Top: Bottom: T.D.
Depth to Top: Bottom: T.D.
Depth to Top: Bottom: T.D.

API # 15-009-21258-0001
Lease Name: Wallace
Well Number: 2 SWD
Spot Loc. (QQQQ): NE SW NW
3784.5 Feet from North/South Section Line
4290.0 Feet from North/South Section Line
Sec. 19-T19S-R13W East/West
County: Barton
Date Well Completed: 10/13/1977
Plugging Commenced: 3/15/2010
Plugging Completed: 3/16/2010

Show depth and thickness of all water, oil and gas formation:

OIL, GAS OR WATER RECORDS		CASING RECORD (Surface Conductor & Production)				
FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULL OUT
Surface	Water sands	758'	0'	8 5/8" 23#	758'	None
Production	Water sands	0'	3457'	5 1/2"	3457'	None

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from (bottom), to (top) for each plug set.

3/15/10 - MIRU - Pulled 105 jts 2 3/8" tubing and 5 1/2" packer, sanded off well with 275 gallons sand.

3/16/10 - Tagged sand @ 3145', ran in 5 sx cement, cut casing @ 1541', cemented with 125 jts, cemented with 40 sx @ 819', pulled 8 jts, cemented with 40 sx @ 428', pulled 5 jts, cemented to surface, 65 sx @ 180', pulled 5 jts. Job Complete - Allied Cementing Ticket #37134, 60/40 poz.

Name of Plugging Contractor: American Energies Corporation License #: 5399

Address 155 North Market, #710 City: Wichita State: Kansas Zip 67202

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: American Energies Corporation (Operator)

STATE OF KANSAS COUNTY OF: Sedgwick, ss.

Alan L. DeGood, President (Employee of Operator or (Operator) of above described well, being first
duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described
well is as filed, and the same are true and correct, so help me God.

(Signature)

Alan L. DeGood
(Alan L. DeGood, President, American Energies Corporation)

(Address)

155 North Market, Suite 710, Wichita, KS

SUBSCRIBED AND SWORN TO me this

29th day of

March

2010

Melinda S. Wooten
Melinda S. Wooten, Notary Public

My Commission Expires: 3/12/12

RECEIVED
KANSAS CORPORATION COMMISSION
MAR 30 2010
CONSERVATION DIVISION
WICHITA, KS

AMERICAN ENERGIES CORP.
P O BOX 516, 136 N MAIN
CANTON, KS. 67428

PULLING UNIT #1

MAR 18 2010

mindy

PHONE: 620-628-4424 FAX: 620-628-4435

DATE JOB STARTED 3/15/10
LEASE: Wallace SWD
COUNTY Barton

DATE JOB COMPLETED: 3/16/10
WELL # _____

WORK PERFORMED:

(Please circle appropriate job)

Acidizing Frac Well Perforating Well
Squeeze Job Workover

Pump Change:

New: _____ Rebuilt _____ Size of pump _____

Rod Part: Size & Type of Replacement _____
Rod Break-Number of Jts. Down _____ Kind of Break _____

Tubing Failure:

Tubing leak-Number of Jts Down _____ Kind of Break _____ Size & Type of Replacement _____
Replaced with New _____ or Used _____

Plugging Well:

Please Complete Information

<u>5</u>	Number of Sacks cement at
<u>125</u>	Number of Sacks cement at
<u>40</u>	Number of Sacks cement at
<u>40</u>	Number of Sacks cement at
<u>65</u>	Total Number of Sacks cement

<u>3145</u>	feet
<u>1541</u>	feet
<u>819</u>	feet
<u>428</u>	feet
<u>180</u>	feet

Type of Cement used: 60/40 Pcs
Ticket number: 37134
Cementing Company: Allied
Date Plugging Completed: 3/16/10
State Plugging Agent: Bruce Verde

Description of Work Performed:

3/15/10 11:30-6:00 Drive to well, rig up, pull 105 jts dual line 23" tubing + 5 1/2" packer, sand off well with 275 gal. sand, get a pull, ready for casing

3/16/10 8:30-4:30 Log sand at 3145', run 53x cement, cut casing at 1541', cement 125x, pull 15 jts cement 40x at 819', pull 8 jts, cement 40x at 428', pull 5 jts, cement to surface, 65x at 180', pull 5 jts, shutdown, rig down

Joints Feet Size			Pulled from Well:					Equipment			Joints Feet Size					Run In Well:				
									Packer											
									Anchor											
									Polished Rod											
									Rods											
									Rods											
			2'	4'	6'	8'	10'		Rod Subs							2'	4'	6'	8'	10'
									Pump											
			2'	4'	6'	8'	10'		Tubing	<u>105</u>		<u>23"</u>	<u>dual line</u>							
									Tubing Subs							2'	4'	6'	8'	10'
									Barrel											
									Mud Anchor											

Services**Hours****Per Hour****Amount**

Unit and Power Tools
Road Time - Per hour
Supervisor time
Material Transfer
Swab Cups

<u>14.5</u>	\$175.00	<u>\$2537.50</u>
<u>14.5</u>	\$175.00	\$
<u>14.5</u>	\$40.00	<u>\$580.00</u>
		\$
		\$
		\$
		\$
		\$
		\$

RECEIVED
KANSAS CORPORATION COMMISSION

Sales Tax
Total Due

MAR 30 2010

CONSERVATION DIVISION
WICHITA, KS

ned

Date: 3/16/10



PO BOX 31 Russell, KS 67665

INVOICE

Invoice Number: 121923

Invoice Date: Mar 16, 2010

Page: 1

Voice: (785) 483-3887

Fax: (785) 483-5566

Bill To:

American Energies Corp.
155 N. Market Ste. #710
Wichita, KS 67202

5071

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Am Eng	Wallace	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS2-03	Great Bend	Mar 16, 2010	4/15/10

Quantity	Item	Description	Unit Price	Amount
156.00	MAT	Class A Common	13.50	2,106.00
104.00	MAT	Pozmix	7.55	785.20
9.00	MAT	Gel	20.25	182.25
3.00	MAT	Cottonseed Hulls	31.05	93.15
260.00	SER	Handling	2.25	585.00
1.00	SER	Handling Mileage Charge	300.00	300.00
1.00	SER	Old Hole Plug	875.00	875.00
3.00	SER	Pump Truck Mileage	7.00	21.00

ENT'D MAR 26 2010

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 30 2010

ALL PRICES ARE NET, PAYABLE
30 DAYS FOLLOWING DATE OF
INVOICE. 1 1/2% CHARGED
THEREAFTER. IF ACCOUNT IS
CURRENT, TAKE DISCOUNT OF

\$ 436.90

ONLY IF PAID ON OR BEFORE

Apr 10, 2010

Subtotal		4,947.60
Sales Tax	CONSERVATION DIVISION WICHITA, KS	311.70
Total Invoice Amount		5,259.30
Payment/Credit Applied		
TOTAL		5,259.30

4022.40

REC'D MAR 24 2010

ALLIED CEMENTING CO., LLC. 037134

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

SERVICE POINT: GREAT BEND

DATE <u>3/16/2010</u>	SEC. <u>19</u>	TWP. <u>19S</u>	RANGE <u>13W</u>	CALLED OUT	ON LOCATION	JOB START <u>3:00 PM</u>	JOB FINISH <u>4:00 PM</u>
WALLACE LEASE	WELL #	LOCATION <u>GREAT BEND SHOP</u>			COUNTY <u>BARTON</u>	STATE <u>KANSAS</u>	
OLD OR NEW (Circle one)			<u>1/2 NORTH, 2 1/2 WEST, 1/4 SOUTH, E/5</u>				

CONTRACTOR Co. TOOLS

TYPE OF JOB OLD HOLE PLUG

HOLE SIZE 7 7/8" T.D.

CASING SIZE 5 1/2" DEPTH 1541'

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX 100* MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG.

PERFS.

DISPLACEMENT

OWNER AMERICAN ENERGIES

CEMENT

AMOUNT ORDERED 300# C.S. HULLS

260 SACKS 60:40:4

COMMON <u>A</u>	<u>156</u>	@	<u>13.50</u>	<u>2106.00</u>
POZMIX	<u>104</u>	@	<u>7.55</u>	<u>785.20</u>
GEL	<u>9</u>	@	<u>20.25</u>	<u>182.25</u>
CHLORIDE		@		
ASC		@		
<u>C.S. HULLS 300#</u>		@	<u>31.05</u>	<u>93.15</u>
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING <u>260</u>		@	<u>2.25</u>	<u>585.00</u>
MILEAGE <u>263 x 3 - maximum</u>				<u>300.00</u>
TOTAL				<u>4051.60</u>

EQUIPMENT

PUMP TRUCK CEMENTER KEVIN B

181 HELPER WAYNE D.

BULK TRUCK

344-170 DRIVER ALVIN R.

BULK TRUCK

DRIVER

REMARKS:

Spot 125 SACKS / 300# HULLS @ 1541'

40 SACKS @ 800'

40 SACKS @ 400'

GRAVULATE CEMENT TO SURFACE @ 150/55

CHARGE TO: AMERICAN ENERGIES

STREET

CITY WICHITA STATE KANSAS ZIP

SERVICE

DEPTH OF JOB	<u>1541'</u>		
PUMP TRUCK CHARGE			<u>875.00</u>
EXTRA FOOTAGE		@	
MILEAGE <u>3</u>		@	<u>7.00</u>
MANIFOLD		@	
		@	
		@	
		@	

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 30 2010

TOTAL 896.00

CONSERVATION DIVISION
WICHITA, KS
PLUG & FLOAT EQUIPMENT

To Allied Cementing Co., LLC.

You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Thad Stark

SIGNATURE X Thad Stark

SALES TAX (If Any)

TOTAL CHARGES

DISCOUNT IF PAID IN 30 DAYS

TOTAL

REC'D MAR 24 2010

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "ALLIED" shall mean Allied Cementing Co., LLC, 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 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.