

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS DIVISION

ORIGINAL

Form ACO-1

September 1999

Form Must Be Typed

12/16/09

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 Company, Inc.
 License: 5123
 Wellsite Geologist: Douglas Davis
 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: DEC 16 2009
 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. _____

<u>11/11/09</u>	<u>11/19/09</u>	<u>11/24/09</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API NO. 15 - 095-22196-0000
 County: Kingman
 SE - SW - NW Sec. 27 Twp 27 S. R. 7W East West
2310' FNL feet from S / N (circle one) Line of Section
990' FWL feet from E / N (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: Thissen Well #: 2-27
 Field Name: Thissen
 Producing Formation: Viola
 Location: Ground: 1584 Kelly Bushing: 1594
 Total Depth: 4255 Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 8 5/8" 20# @ 214' 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.

Drilling Fluid Management Plan AKIND 12510
 (Data must be collected from the Reserve Pit)
 Chloride content _____ ppm Fluid volume _____ bbls
 Dewatering method used _____
 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: 12/16/09
 Subscribed and sworn to before me this 16th day of December
2009
 Notary Public: Melinda S. Wooten
 Date Commission Expires: Melinda S. Wooten, Notary Exp. 3/12/12

KCC Office Use ONLY
 Letter of Confidentiality Attached
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologists Report Received
 UIC Distribution

MELINDA S. WOOTEN
 Notary Public - State of Kansas
 My Appt. Expires 3-12-12

Operator Name: American Energies Corporation Lease Name: Thissen Well: 2-27

Sec. 27 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 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
 See attached Drilling Report

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

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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	12 1/4"	8 5/8"	20#	219'	60/40 poz	175 sx	2% gel, 3% CC
Production		5 1/2"	15.5#	4246'			

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		ASC	175 sx	w/5# Gilsomite ←

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 - Open hole completion in Viola	None	

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Size	Set At	Packer At	Liner Run
2 3/8"	4241'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Resumed Production, SWD, or Enhr. January 2000 1/1/10
 Producing Method Flowing Pumping Gas Lift Other (Explain)

Estimated Production Per 24 Hours	Oil Bbbs	Gas Mcf	Water Bbbs	Gas-Oil Ratio	Gravity
	50	-0-	20	No Gas	

Disposition of Gas Vented Sold Used on Lease Open Hole Perf Dually Comp. Commingled
 (If vented, Sumit ACO-18.) Other Specify _____



American Energies
Corporation

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

DRILLING AND COMPLETION REPORT
Tight Hole
Thissen #2-27

LOCATION: 2310' FNL & 790' FWL
SE SW NW Sec. 27-27S-7W
COUNTY: Kingman
API: 15-095-22196-0000
CONTRACTOR: Pickrell Drilling – Rig #1
GEOLOGIST: Doug Davis
NOTIFY: American Energies Corp.
Dianne Y. DeGood Family Trust, Gar Oil Corp.,
Hyde Resources, Inc., Debbie Schmitt, LLC
MTM Petroleum, Inc., Graves Leases, LLC
Buffalo Creek Oil and Gas, LLC, R & T Investments

SURFACE CASING: 8 5/8" 20# set @ 214' KB
PRODUCTION CASING: 5-1/2 15.5# set @ 4246'
ANTICIPATED RTD: 4300'
RTD: 4255' **PBTD:** 4174'
G.L.: 1584' **K.B.:** 1594'
SPUD DATE: 11/11/09
COMPLETION DATE: 11/20/09
REFERENCE WELLS:
#1 – TXO's Schwartz A #1 – NE SE NW 27-27S-7W
#2 – AEC's Thissen #1-27 – NE NW SW 27-27S-7W

DEC 16 2009

FORMATION:	SAMPLE LOG:	Comparison:		ELECTRIC LOG TOPS:	Comparison:	#1	#2	
		#1	#2					#1
Heebner	2958	-1364	+4	+4	2958	-1364	+4	+4
Douglas Sh.	2981	-1387	+8	+6	2983	-1389	+6	+4
Lansing	3207	-1613	+12	+7	3208	-1614	+11	+6
Stark Sh.	3562	-1968	-1	+3	3560	-1967	+1	+5
Swope	3565	-1971	+6	+4	3564	-1970	+7	+5
Mississippi	3918	-2324	-3	+3	3918	-2324	-3	+3
Miss Lime	3982	-2388	+3	+6	NA			
Viola	4250	-2656	+11	Flat	NA			

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11/06/09 MIRT & RURT, then SD until we completed previous well.
11/11/09 Spud well @ 1:00 p.m.
11/12/09 Preparing to drill plug and cement. Drilled 12 1/4" hole to 219'. SHT @ 219' = 1 degree. Ran 5 jts of new 8 5/8" 20# surface casing set @ 214' KB (tally was 201'). Cemented with 175 sx 60/40 poz, 2% gel, 3% CC. PD @ 9:30 p.m. on 11/11/09. Cement did circulate. Allied ticket #043053.
11/13/09 At 1125' and drilling ahead. SHT @ 500' = 1°, at 750' = 1°, at 1000' = 1/2°.
11/14/09 At 1990'. SHT – 1866' – 1/2 degree.
11/15/09 At 2900' and drilling ahead. SHT @ 2375' = 1 degree. Geologist on location.
11/16/09 At 3555' and drilling ahead at 7:00 a.m. Circulating in the Swope Formation at 3576' at 8:00 a.m. 35 unit gas kick in the Swope Formation.
11/17/09 COOH for DST #1: 3920 – 3938'. 93 Unit Gas Kick in Mississippian, recycled with 45 unit gas kick. Free oil in samples and good oil saturation.
11/18/09 At 4095' and drilling ahead. **DST #1 Results – 3920-3938 Mississippian (Times: 30-60-30-60), 1st opening - Strong blow in 2". 2nd opening - Strong blow in 15". Recovered: 30' WM with oil specks, 210' MW, BHT: 124 degrees, IHP: 1941, IFP: 35-79, ISIP: 1232, FFP: 94-133, FSIP: 1214, FHP: 1902.**

11/19/09 **TOOH with DST #2: 4248-4255' Viola – Flowing oil. Reversed 45 bbls oil from drill pipe. Times: 30-60-35-98. Recovered 4126' clean gassy oil, 120' GOCM (20% G, 22% O, 58% M), Gravity – 41, Temperature – 134 degrees, IHP: 2116, IFP: 779 – 1185, ISIP: 1563, FFP: 1171 – 1432, FSIP: 1562, FHP: 2080, 1st Opening - GTS in 18", gauged 31 MCF, 2nd Opening – GTS, OTS immediately. RTD: 4255'. Will run 5-1/2" production casing. Superior on location to log well, 5-1/2" casing in route to location.**

11/20/09 Cementing 5-1/2" csg. RTD 4255', Rigged up Superior Logger, could not get to bottom, hit bridge at 3925' (Top Miss). Logged out from Miss Chert to surface. Rigged down loggers. Went in hole with bit and drill bit, hit bridge at 3925', work through to 4255 RTD. Circulated for 1-1/2 hrs. Spot with 150 bbls of heavy mud (to hold Cherokee Shale from caving). Came out of hole laid down drill pipe. Rigged up Francis Casing Crew, ran csg to 4246' New & used 111jts of 15.5# 5-1/2" csg. Ran 884' used 5-1/2" on bottom w/Triplex shoe on bottom. 1st centralizer 4205', Insert at 4174'(PBSD), 2 centralizers 4107', 3rd centralizer @ 4006.95', 4th Centralizer 3940', 5th centralizer 3701.53', 6th Centralizer at 3596.53'. Finished running csg. Kept hole full while running csg. Broke circulation for 30 minutes full return. Pumped 18bbls mud flush. Drop ball to set Triplex shoe set 1200#. Rigged up Allied Cementing and pump 175sx ASC w/5# Gilsonite. Plug landed. S.I. with 1000#, float held. Cmtd Rathole w/15sx 60/40 Poz and Mouse hole w/10sx 60/40 Poz. Circulation throughout job.

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Final Drilling Report

COMPLETION INFORMATION

11/24/09 Rigged up American Energies Rig #2. TIH with bit and 2 3/8" tubing 4173' and tagged wiper plug. Started drilling. Drilled thru wiper plug insert and reached 4173'. Drilled cement to 4209' and circulated well clean. SI over holiday. Reports will resume on Tuesday.

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11/25/09 Drilled down to 4243' and tagged cement shoe. Circulated clean and TOH. Rigged up Log Tech of Kansas and ran Cement Bond Log. Top of cement @ 2844'. TD @ 4243'. TIH with bit to drill shoe.

11/30/09 Started drilling on 3' plug. After 4 hours – got plug moving. Still circulating after getting into open hole. Got plug to bottom and drilled it up. Still circulating – no fluid lost. Circulated clean and hooked up to swab. SN @ 4241'. Tagged fluid at surface. After swabbing 47 bbls – show of oil and gas. After 64 bbls back – 5# casing pressure. Swabbing 80 – 90% oil. Tagged fluid @ 400' down. Last hour – swabbed 12 bbls – 80 – 90% oil. SION

12/01/09 Opening CP – 50#, TP – 30#, Opened up tubing to swab tank, flowed 2 bbl oil, hooked up choke on 16/64th – flowed 2 1/2 BO 1st 1/2 hour, 2 BO 2nd 1/2 hour, TP @ 5#, 3rd 1/2 hour - -0- BO. Well had died. Rigged up and ran 2 X 1 1/2 X 12' RWB and 169 new 3/4" rods, 1 – 4' and 2 – 2' rod subs, 1 – 16' X 1 1/4" polished rod, seated pump, long stroked. Pump is pumping. Put rods on bottom, will move in surface equipment and begin trenching in next few days.

12/03/09 Set the following equipment:
114 Hesston Pumping Unit
Continental – 66 Engine.
Tubing – 131 jts - 2 3/8" set @ 4241' with 1 – 6' sub, SN @ 4241'. Bit still in bottom of tubing.



INVOICE

24 S. Lincoln Street
P.O. Box 31
Russell, KS 67665-2906

Invoice Number: 120703

Invoice Date: Nov 19, 2009

Voice: (785) 483-3887
Fax: (785) 483-5566

Page: 1

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

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Am Eng	Thissen #2-27	10% 25, Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS2-02	Medicine Lodge	Nov 19, 2009	12/19/09

Quantity	Item	Description	Unit Price	Amount
15.00	MAT	Class A Common	15.45	231.75
10.00	MAT	Pozmix	8.00	80.00
1.00	MAT	Gel	20.80	20.80
175.00	MAT	ASC Class A	18.60	3,255.00
875.00	MAT	Kol Seal	0.89	778.75
82.00	MAT	FL-160	13.30	1,090.60
115.00	MAT	Gas Block	11.10	1,276.50
25.00	MAT	Defoamer	8.90	222.50
500.00	MAT	ASF	1.27	635.00
8.00	MAT	Cla Pro	31.25	250.00
200.00	SER	Handling	2.40	480.00
25.00	SER	Mileage 200 sx @ .10 per sk per mi	20.00	500.00
1.00	SER	Production String	2,092.00	2,092.00
25.00	SER	Pump Truck Mileage	7.00	175.00
1.00	EQP	Latch Down Assembly	164.00	164.00
1.00	EQP	Triplex Shoe	812.00	812.00
6.00	EQP	Turbolizers	42.00	252.00

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Post-it® Fax Note 7671 Date 12-16-09 # of pages 2

To: *Mendez* From: _____

Co./Dept. Co. _____

Phone # Phone # _____

Fax # 316-263-1851 Fax # _____

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

\$ 3078.98²⁵

ONLY IF PAID ON OR BEFORE

Dec 14, 2009

Payment/Credit Applied	
TOTAL	12,796.55

12,315.90
480.65
12,796.55

INVOICE

Invoice Number: 120615
 Invoice Date: Nov 11, 2009
 Page: 1

reet
 67665-2906
 (785) 483-3887
 (785) 483-5566

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

206

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Am Eng	Thissen #2-27	10% 25, Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS2-01	Medicine Lodge	Nov 11, 2009	12/11/09

Quantity	Item	Description	Unit Price	Amount
105.00	MAT	Class A Common	13.50	1,417.50
70.00	MAT	Pozmix	7.55	528.50
3.00	MAT	Gel	20.25	60.75
5.00	MAT	Chloride	51.50	257.50
175.00	SER	Handling	2.25	393.75
25.00	SER	Mileage 175 sx @ .10 per sk per mi	17.50	437.50
1.00	SER	Surface	991.00	991.00
25.00	SER	Pump Truck Mileage	7.00	175.00

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

\$ 1065.38

ONLY IF PAID ON OR BEFORE

Dec 6, 2009

Subtotal	4,261.50
Sales Tax	120.01
Total Invoice Amount	4,381.51
Payment/Credit Applied	
TOTAL	4,381.51

3316.13
 ENT'D DEC 03 ENT'D

