

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 5399
Name: American Energies Corporation
Address: 155 North Market, Suite 710
City/State/Zip: Wichita, Kansas 67202
Purchaser: None
Operator Contact Person: Alan L. DeGood, President
Phone: (316) 263-5785
Contractor: Name: J.V. Mallard, Inc.
License: 4958
Wellsite Geologist: David Goldak

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW 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./SW
 Plug Back _____ Plug Back Total Depth _____
 Commingled _____ Docket No. _____
 Dual Completion _____ Docket No. _____
 Other (SWD or Enhr.?) _____ Docket No. _____
3/24/01 3/31/01 3/31/01
Spud Date or Date Reached TD Completion Date or Recompletion Date

CONSERVATION DIVISION

6-13-01

API No. 15 - 007-22645-0000
County: Barber
App. NE NE SW Sec. 17 Twp. 31S S. R. 11 East West
2310' feet from (S) N (circle one) Line of Section
2440' feet from E (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW (SW)
Lease Name: Watkins Well #: C-3
Field Name: Ils
Producing Formation: None
Elevation: Ground: 1718 Kelly Bushing: 1723
Total Depth: 4495 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 254.75' 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 D&A gm 8/21/02
(Data to be collected from the Reserve Pit)
Chloride Content 28,000 ppm Fluid volume 1,200 bbls
Dewatering method used Fluid was hauled away and mud allowed to dry.
Location of fluid disposal if hauled offsite: _____
Operator Name: American Energies Corporation
Lease Name: Short A-2 License No.: 5399
SE
Quarter _____ Sec. 12 Twp. 31S S. R. 8 East West
County: Harper Docket No.: D25,867

RECEIVED
KANSAS CORPORATION COMMISSION
CONSERVATION DIVISION
JUN 13 2001

INSTRUCTIONS: An original and two copies of this form shall be filed with the 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: President Date: 6/12/01

Subscribed and sworn to before me this 12th day of June
19 2001
Notary Public: Melinda S. Wooten
Date Commission Expires: 3-12-04



KCC Office Use ONLY

Letter of Confidentiality Attached

If Denied, Yes Date: _____

Wireline Log Received

Geologist Report Received

UIC Distribution

Operator Name: American Energies Corporation Lease Name: Watkins Well #: C-3
Sec. 17 Twp. 31S S. R. 11 County: Barber County, Kansas

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, 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 chart(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
(Attach Additional Sheets)
See Attachment
Samples Sent to Geological Survey Yes No
Cores Taken Yes No
Electric Log Run Yes No
(Submit Copy)

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

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

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	# Sacs Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	20#	261' w/LJ	60/40 Poz	225	2% gel 3% 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				

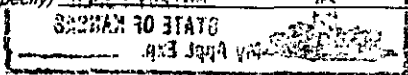
Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth

TUBING RECORD Size Set At Packer At Liner Run Yes No

Date of First, Resumerd Production, SWD or Enhr. Producing Method Flowing Pumping Gas Lift Other (Explain)

Estimated Production Per 24 Hours Oil Bbls. Gas Mcf Water Bbls. Gas-Oil Ratio Gravity

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



AMERICAN ENERGIES CORPORATION
DRILLING REPORT
WATKINS "C" #3

LOCATION: 2310' FSL & 2440' FWL **SURFACE CASING:** 6 jts 8 5/8" new 20#
 Section 17-31S-11W Set @ 261'

COUNTY: Barber County, KS. **PRODUCTION CASING:**
G.L.: 1718 **K.B.:** 1723

GEOLOGIST: David Goldak(250-2808) **SPUD DATE:** 3/24/01

CONTRACTOR: Mallard JV

NOTIFY:

Donald Gough, W. Mike Adams
 J. Fred Hambright, M. Peyton Bucy,
 H.P. McLish, Christopher Gough,
 Thomas C. Hyde, John K. Cooper,
 D & D Investment

COMPLETION DATE:

REFERENCE WELLS:

#1 Chain #2 - SE SE NE Sec. 18-31S-11W
 #2 Watkins C#1 - 190'W C SW Sec. 17-31S-11W
 #3 Axline #1 - NE NW NE Sec. 17-T31S-R11W
 #4 Watkins B#1 - 100'W C SE Sec. 17-31S-11W

FORMATION:	SAMPLE LOG:	COMPARISON:				ELECTRIC LOG TOPS:		
		#1	#2	#3	#4			
Onaga Shale	2711	-988	-2	-2	NA	+16	2709	-986
Indian Cave SS	2720	-997	Absent	+18	NA	+16	2718	-995
Wabaunsee	2762	-1039	-1	-2	NA	+11	2758	-1035
Topeka	3158	-1435	-1	-4	NA	+18	3156	-1433
Queen Hills Shale	3501	-1778	-4	+3	NA	+21	3498	-1775
Elgin Sandstone	3548	-1825	-2	-4	NA	+22	3545	-1822
Heebner Shale	3663	-1940	+7	+1	-19	+35	3360	-1637
Snyderville Sand	3683	-1960	NA	+1	NA	NA		
Lwr Doug Sand	3790	-2067	-8	-18	-20	+16	3788	-2065
Lansing	3879	-2156	-23	-9	-26	+7	3876	-2153
CherokeeShale	4422	-2199	-20	-4	-27	+11	4420	-2697
Miss Chert	4449	-2726	-35	-14	-48	+7	4444	-2721
Miss Limestone	4478	-2755	-2	+16	-26	NA	4478	-2755
RTD	4495	-2772					4495	-2772

3/24/01 MIRT and spud 12 1/4" @ 4:15 P.M. Cut 261' @ 8:30 p.m. CTCH, TOH, ran 7/6 jts 8 5/8" 20# X 254.75 set @ 261' with landing joint. Cemented with 225 sx 60/40 poz, 2% gel, 3% cc, CDC, Plug down @ 10:30 p.m. Allied cemented.

3/25/01 Drilling ahead @ 265'

3/26/01 Drilling ahead @ 1695'

3/27/01 Drilling ahead @ 2605'

- 3/28/01 Drilling ahead @ 3020'. Results DST #1: 2688-2763 (Indian Cave SS). Times: 30-60-20-60. 1st opening - weak blow increasing 1/2", 2nd opening - weak blow and died. Flushed tool, no help. Recovered 45' drilling mud, IFP: 37-41, ISIP: 1038, FFP: 42-77, FSIP: 1024, IHP: 1328, FHP: 1364, BHT: 86. Lost 60' fluid during test.
- 3/29/01 Preparing to run DST #2: 3636-3715. Snyderville Sand had a show of gas in samples.
- 3/30/01 Drlg @ 3980, Results of DST #2 3636-3715 (Synderville Sand) Times 30-60-20-60 Rec. 10' Drlg Mud IFP 26-29, ISIP 456, FFP 27-50, FSIP 372, IH 1736, FH 1725, BHT 99, No reservoir, the test was not showing depletion.
- 3/31/01 Drlg @ 4478'
- 4/01/01 P&A, RTD 4495, LTD 4495, No Miss Chert development, Plugging information:
1st plug @ 600' w/50 sx. 2nd plug @ 290' w/50sx, 3rd plug @ 40'to surface w/10sx.
15 sx in rathole, 10 sx in mousehole. Total 135 sx 60/40 Poz 6% gel Plug was down 11:00 P.M. 3/31/01. Allied cementing Invoice ticket # 7290.

See attached Well Summary, Logs will be mail out today.

ALLIED CEMENTING CO., INC.

PO BOX 31
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566

15-007-22645-0000

 * INVOICE *

ORIGINAL

Invoice Number: 083744

Invoice Date: 03/24/01

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

Cust. I.D. Am Eng
 P.O. Number... Watkins #1
 P.O. Date... 03/24/01

Due Date : 04/23/01
 Terms : Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	135.00	SKS	6.3500	857.25	E
Pozmix	90.00	SKS	3.2500	292.50	E
Gel	4.00	SKS	9.5000	38.00	E
Chloride	7.00	SKS	28.0000	196.00	E
Handling	236.00	SKS	1.0500	247.80	E
Mileage (12)	12.00	MILE	9.4400	113.28	E
236 sks @ \$.04 per sk per mi					
Surface	1.00	JOB	470.0000	470.00	E
Mileage pmp trk	12.00	MILE	3.0000	36.00	E
TWP	1.00	EACH	45.0000	45.00	E

All Prices Are Net, Payable 30 Days Following
 Date of Invoice. 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of \$ 229.58
 ONLY if paid within 30 days from Invoice Date

Subtotal: 2295.83
 Tax..... 0.00
 Payments: 0.00
 Total.... 2295.83

229.58
 2066.25

21-26
 ENTD APR 05 2001

ALLIED CEMENTING CO., INC.

PO BOX 31
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566

15-007-22645-0000

INVOICE

ORIGINAL

Invoice Number: 083797

Invoice Date: 03/31/01

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

Cust. I.D.: Am Eng
 P.O. Number: Watkins #1
 P.O. Date: 03/31/01

Due Date: 04/30/01
 Terms: Net 30

Item I.D./Desc	Qty. Used	Unit	Price	Net	Tax
Common	81.00	SKS	6.3500	514.35	E
Pozmix	54.00	SKS	3.2500	175.50	E
Gel	7.00	SKS	9.5000	66.50	E
Handling	142.00	SKS	1.0500	149.10	E
Mileage min. chg.	1.00	MILE	100.0000	100.00	E
Rotary Plug	1.00	JOB	470.0000	470.00	E
Mileage pmp trk	12.00	MILE	3.0000	36.00	E
Dryhole plug	1.00	EACH	23.0000	23.00	E

All Prices Are Net, Payable 30 Days Following
 Date of Invoice. 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of \$ 153.45
 ONLY if paid within 30 days from Invoice Date

Subtotal: 1534.45
 Tax: 0.00
 Payments: 0.00
 Total: 1534.45

21-26

153.45
 1381.00

ENTD APR 06 2001

ALLIED CEMENTING CO., INC. 7290

Federal Tax I.D.# 48-0727860

15-007-22645-0000

ORIGINAL

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

SERVICE POINT:

St Bend

DATE <u>3-31-01</u>	SEC. <u>17</u>	TWP. <u>31</u>	RANGE <u>11</u>	CALLED OUT <u>5:00 PM</u>	ON LOCATION <u>9:45 PM</u>	JOB START <u>10:10 PM</u>	JOB FINISH <u>11:00 PM</u>
LEASE <u>Wathin</u>		WELL # <u>1</u>	LOCATION <u>Level E/s, 85, E/s</u>		COUNTY <u>Barber</u>	STATE <u>Ka</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Mallard

TYPE OF JOB Rotary Plug

HOLE SIZE 7 7/8" (T.D. 4195')

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2" DEPTH 600'

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER Same

CEMENT AMOUNT ORDERED 135 lbs 60/40, 690 mel

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____

TOTAL _____

EQUIPMENT

PUMP TRUCK CEMENTER Tom D

181 HELPER Bob B

BULK TRUCK DRIVER Lorraine M

342

BULK TRUCK DRIVER _____

REMARKS:

Mixed - 50 lbs @ 600'
50 lbs @ 290'
10 lbs at 40'
15 lbs in Rathole
10 lbs in Manhole

Frank

SERVICE

DEPTH OF JOB 600'

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

PLUG 1-8 5/8 Ryhole @ _____

_____ @ _____

_____ @ _____

TOTAL _____

CHARGE TO: American Energy

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

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 _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE [Signature]

[Signature]
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 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.

ALLIED CEMENTING CO., INC. 7285

Federal Tax I.D.# 48-0727860

ORIGINAL
SERVICE POINT:

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

15-007-22615-00

St Bend

DATE <u>3-24-01</u>	SEC. <u>17</u>	TWP. <u>31</u>	RANGE <u>11</u>	CALLED OUT <u>5:00 PM</u>	ON LOCATION <u>8:30 PM</u>	JOB START <u>10:00 PM</u>	JOB FINISH <u>10:30 PM</u>
LEASE <u>Watkins</u> WELL # <u>1</u>			LOCATION <u>Label E/S 8s, E/S</u>		COUNTY <u>Barber</u>	STATE <u>Ka</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Mallard

TYPE OF JOB Surface

HOLE SIZE 12 1/4" T.D. 261'

CASING SIZE 8 5/8" new 20' DEPTH 261'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. 15'

PERFS. _____

DISPLACEMENT 16 bbls

OWNER Same

CEMENT AMOUNT ORDERED 225 lbs 69/40 390cc, 290 lbs.

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

TOTAL _____

EQUIPMENT

PUMP TRUCK CEMENTER Tom D

181 HELPER Bob B

BULK TRUCK DRIVER _____

242 DRIVER _____

BULK TRUCK DRIVER _____

_____ DRIVER _____

REMARKS:

Run 261' of 8 5/8" cas. Break circulation mixed 225 lbs 69/40 390cc 290 lbs. Released Plug. Displaced with fresh H₂O.

Cement did circulate

Mallard

SERVICE

DEPTH OF JOB 261'

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

PLUG 1-8 5/8" TWP @ _____

_____ @ _____

_____ @ _____

TOTAL _____

CHARGE TO: American Energie

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

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 _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE X Laver R. Uebe

X Laver R. Uebe
PRINTED NAME

GENERAL TERMS AND CONDITIONS

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—**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.

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—**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.