

STATE CORPORATION COMMISSION OF KANSAS
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
ACO-1 WELL HISTORY
DESCRIPTION OF WELL AND LEASE

Operator: License # 5399
Name: American Energies Corporation
Address 155 North Market, Suite 710
Wichita, Kansas 67202

City/State/Zip _____
Purchaser: Eott

Operator Contact Person: Alan L. DeGood, President
Phone (316) 263-5785

Contractor: Name: Mallard JV, Inc.
License: 4958

Wellsite Geologist: David Goldak

Designate Type of Completion 11-2-00
 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: _____
Comp. Date _____ Old Total Depth _____

Deepening Re-perf. Conv. to Inj/SWD
 Plug Back PBTD
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Inj?) Docket No. _____

07/31/00 08/08/00 9/20/00
Spud Date Date Reached TD Completion Date

API NO. 15- 095-21770-0000
County Kingman
C SW - SW - Sec. 34 Twp. 30 Rge. 10 XV

660 Feet from S (circle one) Line of Section
660 Feet from E (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
NE, SE, NW or S (circle one)

Lease Name Anthony Well # "A" #1

Field Name Wildcat

Producing Formation Mississippi

Elevation: Ground 1706 KB 1711

LTD: 4546
Total Depth RTD: 4542 PBTD _____

Amount of Surface Pipe Set and Cemented at 248.40' 8 5/8" 7 jts Feet
25' set @ 255'

Multiple Stage Cementing Collar Used? Yes No

If see, show depth set _____ Feet

If Alternate II completion, cement circulated from _____

feet depth to _____ w/ _____ sx cnt.

Drilling Fluid Management Plan ALT 1 2/9/01
(Data must be collected from the Reserve Pit)

Chloride content 15,000 ppm Fluid volume 1,000 bbls

Dewatering method used Hauled

Location of fluid disposal if hauled offsite: _____

Operator Name American Energies Corporation

Lease Name Short "A" #1 License No. 5399

C N/2 SE Quarter Sec. 12 Twp. 31S S Rng. 8W E/W

County Harper Docket No. D25,867

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 200 Colorado Derby Building, 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 on 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 DeGood
Title Alan L. DeGood, President Date 10/16/00

Subscribed and sworn to before me this 16th day of October, 19 2000

MELINDA S. WOOTEN
NOTARY PUBLIC
STATE OF KANSAS
Melinda S. Wooten
Date Commission Expires 3-12-04

K.C.C. OFFICE USE ONLY
F Letter of Confidentiality Attached
C Wireline Log Received
C Geologist Report Received
Distribution
____ KCC _____ SWD/Rep _____ MGPA
____ KGS _____ Plug _____ Other (Specify)

Operator Name American Energies Corporation Lease Name Anthony Well # "A" #1
 C SW SW East
 Sec. 34 Twp. 30S Rge. 10W West
 County Kingman

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all drill stem 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 during test. Attach extra sheet if more space is needed. Attach copy of log.

Drill Stem Tests Taken Yes No
 (Attach Additional Sheets.)
 See Attachment Yes No
 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

List All E.Logs Run:

Dual Compensated Porosity

Dual Induction

Gamma Ray-Collar

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"	25'	255'	60/40 poz	165	2% gel 3% cc
Landing Joint					Class A	120	3% cc
Production		4 1/2"	10.50#	4538'	ASC	100	500# 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	4407-4414	1,000 gallons MCA	
		Frac 5,000 gallons gelled water and 25,000# sand	

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	2 3/8"	with packer set @ 4388'		
Date of First, Resumed Production, SWD or Inj.	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
8/24/00				
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio
	trace of oil	100 MCF	25 BW	

Disposition of Gas: Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled

METHOD OF COMPLETION: _____ Production Interval _____

AEC'S INTEREST:
 AMERICAN ENERGIES CORPORATION
 DAILY WELL REPORT

LEASE: Anthony "A" #1 SURFACE CASING: 8 5/8"
 SPOT LOCATION: C SW SW PRODUCTION CASING:
 SEC/TWP/RNG: Section 34-T30S-R10W ELEVATION: GL: 1706 KB: 1711
 COUNTY: Kingman SPUD DATE: 07/31/00
 OPERATOR: American Energies Corp. COMPLETION DATE:
 CONTRACTOR: Mallard JV GEOLOGIST: David Goldak

NOTIFY: Osage Resources, West, Feist, Shawver, Henderson, D & D Investment, James, Denbow Oil, Hyde, Callewaert, Gar Oil, Dan Denbow, Raymond Carothers

REFERENCE WELL:
 1: Barbara #1 Anthony: C NW SE 34-30S-10W
 2: Graves #2 Haynes: C NW NE 03-31S-10W
 3:

FORMATION:	SAMPLE LOG:	COMPARISON:	ELECTRIC LOG TOPS:
		#1 #2 #3	
Onaga Shale	2589 +878	-9 +9	Heebner Sh 3580 -1868
Heebner	3588 -1877	-11 +1	Douglas Sh 3619 -1908
Swope	4173 -2462	-7 +4	Lansing 3796 -2085
Cherokee	4389 -2778	-2 +6	Stark Sh 4170 -2459
Miss Chert	4403 -2692	+8 +14	BKC 4260 -2549
Miss lime	4465 -2754	-16 +20	Cherokee Sh 4392 -2681
Kinderhook Sh	4494 -2783	-3 NDE	Miss Chert 4406 -2695
RTD 4542-2831			Miss Lime 4468 -2757
			Kinderhook 4498-2758
			LTD 4546

07/31/00 MIRT, Rigging up.
 08/01/00 At 281' and drilling ahead @ 7:00 a.m. Drilled plug and cement @ 6:00 a.m. Spud @ 2:15 p.m. 7/31/00. Drilled 12 1/4" to 255'. Ran 7 jts 8 5/8" X 25# X 248.40', set @ 255' with LJ. Cemented with 165 sx 60/40 poz, 2% gel, 3% cc. Cement did not circulate. P.D. 8:00 p.m. 1" backside of 8 5/8" with 120 sx common 3% cc. Completed @ 9:15 p.m. by Allied.
 08/02/00 At 1880' and drilling ahead @ 7:00 a.m.
 08/03/00 At 2717' and drilling ahead @ 7:00 a.m.
 08/04/00 At 3485' displacing mud, geologist on location, gas detector on location at 2500', no gas show in the Indian Cave
 08/05/00 At 4025' drlg
 08/06/00 At 4203 tripping in hole after DST 1, Results DST 1] 4162-4203 (Swope) 30-60-30-30 Rec. 130' HMCW (70% water, 18,000 PPM, 30% mud, 5500 PPM) IFP 29-65, ISIP 1560, FFP 65-93, FSIP 1456
 08/07/00 Running Dst 2 4361-4423 (Miss Chert)
 08/08/00 Logging @8:00 AM RTD 4831 DST-2 4361-4423 (Miss Chert) 30 60 60 90, 1st open GTS in 5" ga. 159 MCF in 10" increased to 200 MCF in 20" decreased to 189 MCF at 30", 2nd open 5"ga. 301 MCF increased to 362 MCF in 15 " decreased to 243 MCF at 60" Rec. 361' TF, 120 SLGCM (10% gas, 90% mud), 241' HGCMW (35% gas, 25% mud & 40% water, chl.25,000 PPM, Mud system 10,000 PPM) IFP 247-209 ISIP 1453 FFP 166-171 FSIP 1244 Pressure drop indicate limited reservoir, Horner plot indicates 150# pressure drop in the reservoir. After looking at the log we have decided to run another DST over the upper Miss chert zone. This will confirm the limited reservoir or allow us to set pipe.

RECEIVED
 STATE CORPORATION COMMISSION
 CONSERVATION DIVISION
 Wichita, Kansas
 NOV 2 2000

ORIGINAL

08/09/00 Running used 4 1/2" production casing, Results of DST 3 4390-4428
straddle test (Miss Chert) 45-75-90-120 1st op GTS 16" ga. 39 MCF, 26"
70 MCF, 36" 88 MCF, 45" 100 MCF, 2nd op gas immediatly 10" 147 MCF,
20" 134 MCF, 30" 132 MCF 40" 129 MCF stablized @ 129 MCF for the rest
of the test. Rec 430' TF 90' SlGCMW (10% gas, 20% water, 70% mud)
340' G&OCMW (5% oil, 15% mud, 40% gas, 40% water, chl. 18,000 PPM mud
chl. 8,000 PPM IFP 86-138 ISIP 1531 FFP 120-167 FSIP 1379 The
bottomhole pressure was higher than DST 2 final shutin pressure
which indicates that the reservoir is just tight and not depleting.

08/10/00 WOC, ran 114 jts. used 4 1/2" 10.50# drifted and tested. Set at 4538'
cmt. w/ 100 sx of ASC w/500# Gilsonite, ran 500 gals mud flush, plud
dn @ 11:30 08/09/00, PBTd is 4513'

RECEIVED
STATE CORPORATION COMMISSION

NOV 2 2000

CONSERVATION DIVISION
Wichita, Kansas

MALLARD JV, Inc.
DRILLING CONTRACTORS

P. O. Box 1009
MCPHERSON, KS 67460 316-241-4640

Drillers Log

OPERATOR: **American Energies Corporation**
155 N. Market, Suite 710
Wichita, KS 67202

WELL: **Anthony # A1**

API #: 15-095-21770-0000

COMMENCED: July 31, 2000

LOCATION: C SW SW
660' FSL, 660' FWL
Section 34, Township 30 S, Range 10 W
Kingman County, KS

COMPLETED: August 9, 2000

TOTAL DEPTH: 4,542'

ELEVATION: 1706' GL, 1711' KB

STATUS: Set Casing - Mississippi formation

SPUD: 2:15 pm 7/31/00

SIZE HOLE DRILLED: 12-1/4" x 255'

SURFACE CASING SIZE: 8-5/8" x 25# x 248.4' (7 jts.)

SET AT: 255'

CEMENT: 165 sacks 60/40 Pozmix, 2% gel, 3% cc, and
120 sacks common, 3% cc

SIZE HOLE DRILLED: 7-7/8" x 4542' RTD

PRODUCTION CASING: 4-1/2" x 10.5# x 4538' (114 jts.)

SET AT: 4538'

CEMENT: 100 sacks ASC

PD: 11:40 am 8/9/00

DRILL STEM TESTS: 3

ELECTRIC LOG: Yes

CONSERVATION DIVISION
Wichita, Kansas

7/31/00
8/9/00

ALLIED CEMENTING CO., INC.

P.O. BOX 31
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566

.....ORIGINAL

* INVOICE *

Invoice Number: 081910

Invoice Date: 08/01/00

AD
~~AD~~ 20-26

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

Cust I.D.....: Am Eng
 P.O. Number : Anthony A 1
 P.O. Date.....: 08/01/00

Due Date.: 08/31/00
 Terms : Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	219.00	SKS	6.3500	1390.65	E
Pozmix	66.00	SKS	3.2500	214.50	E
Gel	3.00	SKS	9.5000	28.50	E
Chloride	10.00	SKS	28.0000	280.00	E
Handling	285.00	SKS	1.0500	299.25	E
Mileage (22)	22.00	MILE	11.4000	250.80	E
285 sks @\$.04 per sk per mi					
Surface	1.00	JOB	470.0000	470.00	E
Mileage pmp trk	22.00	MILE	3.0000	66.00	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 \$ 304.47
 ONLY if paid within 30 days from Invoice Date

Subtotal: 3044.70
 Tax.....: 0.00
 Payments: 0.00
 Total....: 3044.70

2740.23

ENT'D AUG 18 2000

RECEIVED
 JULIE CORPORATION COMMISSION
 CONSERVATION DIVISION
 Wichita, Kansas
 10/ 2 2000

ALLIED CEMENTING CO., INC.

P.O. BOX 31
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566

ORIGINAL

INVOICE

Invoice Number: 081910

Invoice Date: 08/01/00

AD
~~55-~~ 20-26

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

Cust I.D.: Am Eng
 P.O. Number...: Anthony A-1
 P.O. Date....: 08/01/00

Due Date.: 08/31/00
 Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	219.00	SKS	6.3500	1390.65	E
Pomix	66.00	SKS	3.2500	214.50	E
Gel	3.00	SKS	9.5000	28.50	E
Chloride	10.00	SKS	28.0000	280.00	E
Handling	285.00	SKS	1.0500	299.25	E
Mileage (22)	22.00	MILE	11.4000	250.80	E
285 sks @ 88.00 per sk per mi					
Surface	1.00	JOB	470.0000	470.00	E
Mileage pump trk	22.00	MILE	3.0000	66.00	E
TWP	1.00	EACH	45.0000	45.00	E

All Prices Are Net, Payable 30 Days Following Subtotal: 3044.70
 Date of Invoice. 1 1/2% Charged Thereafter. Tax.....: 0.00
 If Account CURRENT take Discount of \$ 204.47 Payments: 0.00
 ONLY if paid within 30 days from Invoice Date Total...: 3044.70



ORIGINAL
COPY

SALES OFFICE:
1024 NE Highway 61
P.O. Box 8613
Pratt, KS 67124-8613
(316) 672-1201
(316) 672-5383 FAX

SALES OFFICE:
102 S. Broadway
Suite #420
Wichita KS 67202
(316) 262-3699
(316) 262-5799 FAX

ACIDIZING - FRACTURING - CEMENTING

Invoice

Bill to: AMERICAN ENERGIES CORP. 155 N. Market, Suite 710 Wichita, KS 67202	200000	Invoice	Invoice Date	Order	Order Date
		829	8/12/00	2638	8/9/00
Service Description					
Cement - Longstring					
				Lease	Well
				Anthony	A-1
AFE	CustomerRep	Treater	Well Type	Purchase Order	Terms
	Butch Jackson	Dave Scott	New Well		Net 30

ID.	Description	UOM	Quantity	Unit Price	Price
D204	AA2	SK	100	\$13.56	\$1,356.00
D202	60/40 POZ	SK	25	\$8.00	\$200.00
C313	GAS BLOK	LB	71	\$5.00	\$355.00
C223	SALT (Fine)	LBS	587	\$0.35	\$205.45
C196	FLA-322	LB	47	\$7.25	\$340.75
C243	DEFOAMER	LB	10	\$2.50	\$25.00
C322	GILSONITE	LB	500	\$0.55	\$275.00
C302	MUD FLUSH	GAL	500	\$0.65	\$325.00
F100	CENTRALIZER, 4 1/2"	EA	4	\$50.00	\$200.00
F130	TOP RUBBER CEMENT PLUG, 4 1/2"	EA	1	\$38.00	\$38.00
F160	GUIDE SHOE-REGULAR, 4 1/2"	EA	1	\$95.00	\$95.00
F200	FLAPPER TYPE INSERT FLOAT VALVES, 4 1/2"	EA	1	\$60.00	\$60.00
E107	CEMENT SERVICE CHARGE	SK	125	\$1.50	\$187.50
R701	CEMENT HEAD RENTAL	EA	1	\$70.00	\$70.00
E100	HEAVY VEHICLE MILEAGE - 1 WAY	MI	30	\$3.00	\$90.00
E104	PROPPANT / BULK DELIV SERVICES/TON MILE, \$200 MIN	TM	177	\$1.25	\$221.25
R209	CASING CEMENT PUMPER, 4001-4500'	EA	1	\$1,680.00	\$1,680.00

Sub Total: \$5,723.95

Discount: \$1,619.19

Discount Sub Total: \$4,104.76

Tax Rate: 5.90%

Taxes: \$0.00

(T) Taxable Item

Total: \$4,104.76

PLEASE REMIT TO Acid Services, LLC, Dept No 1131 , Tulsa, OK 74182

Accounts become past due the last day of the month following billing. Interest rate 1.5% per month (18% per year) on past due accounts.



ORIGINAL

FIELD ORDER

02638

INVOICE NO.	Subject to Correction		
Date 8-9-00	Lease Anthony	Well # A-1	Legal 34-30s-10w
Customer ID	County Kingman	State KS	Station Pratt KS
CHARGE American Energies	Depth 4317 PBD	Formation	Shoe Joint 21, 4-
	Casing 4 1/2	Casing Depth 4338	TD 4542
	Customer Representative Butch Jackson	Treater D Scott	Job Type Long String New Well

AFE Number _____ PO Number _____

Materials Received by **X** *B.W. Jackson*

Product Code	QUANTITY	MATERIAL, EQUIPMENT and SERVICES USED	UNIT PRICE	AMOUNT	ACCOUNTING	
					CORRECTION	AMOUNT
D304	100 sks	AA-2 Blend Cmt				
D302	25 sks	60/40 par Cmt				
C313	71 lbs	Gas Block				
C223	587 lbs	Salt Fine				
C196	47 lbs	FLA-322				
C243	10 lbs	Defoamer				
C322	500 lbs	Gilsonite				
C302	500 gals	mud flush				
F100	4 eq	Centralizers 4 1/2 in				
F130	1 eq	Top Swiper Plug " "				
F160	1 eq	Guide Shoe " "				
F200	1 eq	ISFV 4" Fill " "				
E107	123 sks	Cmt Serv. Charge				
R701	1 eq	4 1/2 Cmt Head Rental				
E100	1 eq	UNITS 1 way MILES 30				
E104	177 tm	TONS MILES 30				
R209	1 eq	EA. 400' - 450' PUMP CHARGE				
Discounted Amount				4104.76		
+ Taxes						



ORIGINAL
TREATMENT REPORT 02396

Customer ID	Date
Customer <i>American Energies</i>	<i>8-9-00</i>
Lease <i>Anthony</i>	Lease No.
	Well # <i>A-1</i>

Field Order # <i>02638</i>	Station <i>Pratt KS</i>	Casing <i>4 1/2</i>	Depth <i>4338</i>	County <i>Kingman</i>	State <i>KS</i>
Type Job <i>Longstring New Well</i>	Formation <i>4538 TP</i>	10.5ppg		Legal Description <i>34-30s-10w</i>	

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size <i>4 1/2</i>	Tubing Size	Shots/Ft		Acid <i>100sk's AA-2</i>	RATE	PRESS <i>2500</i>	ISIP	
Depth <i>4317 PBD</i>	Depth	From	To	Pre Pad <i>1,483</i>	Max		5 Min.	
Volume <i>71.8</i>	Volume	From	To	Pad <i>300 gal's mud flush</i>	Min		10 Min.	
Max Press	Max Press	From	To	Frac	Avg		15 Min.	
Well Connection	Annulus Vol.	From	To		HHP Used		Annulus Pressure	
Plug Depth	Packer Depth	From	To	Flush <i>71.8 Disp</i>	Gas Volume		Total Load	

Customer Representative <i>Butch Jackson</i>	Station Manager <i>Dave Aurry</i>	Treater <i>Dave Scott</i>
--	-----------------------------------	---------------------------

Service Units	<i>106</i>	<i>35</i>	<i>57</i>	<i>31</i>	<i>70</i>
---------------	------------	-----------	-----------	-----------	-----------

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
<i>0100</i>					<i>Called Out</i>
<i>0400</i>					<i>On loc w/ Trk's Safety mtg</i>
					<i>6.5 in ISFV on S.J. Cont. 1-4-3-6epl's</i>
					<i>Psg on Bottom Drop Ball & Circ w/ Rig</i>
					<i>Rig up Trk's</i>
<i>1043</i>	<i>400</i>		<i>3</i>	<i>6</i>	<i>St H2O Spacer</i>
<i>1044</i>	<i>400</i>		<i>12</i>	<i>6</i>	<i>St mud flush</i>
<i>1047</i>	<i>400</i>		<i>5</i>	<i>6</i>	<i>H2O Spacer</i>
<i>1053</i>	<i>400</i>			<i>6</i>	<i>mix & pump 100sk's cont @ 14.8 ppg</i>
<i>1058</i>	<i>0</i>		<i>26.3</i>	<i>0</i>	<i>finish mixing cont</i>
<i>1059</i>			<i>10</i>		<i>Close In & Wash Pump & line</i>
<i>1104</i>	<i>100</i>			<i>7</i>	<i>Release Plug & St Disp w/ H2O</i>
<i>1113</i>	<i>400</i>			<i>7</i>	<i>lifting cont</i>
<i>1116</i>	<i>1000</i>		<i>71.8</i>	<i>0</i>	<i>Plug Down & psi Test Psg</i>
<i>1119</i>	<i>0</i>				<i>Release psi float OK</i>
					<i>Plug R.H. & M.H. w/ 25sk's 60/40 ppg</i>
					<i>Good Circ During Job</i>
					<i>Job Complete</i>
					<i>Thank You</i>
					<i>Scotty</i>

ALLIED CEMENTING CO., INC.

Federal Tax I.D.# 48-0727860

4126
ORIGINAL

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

SERVICE POINT:
MEDICINE LODGE

DATE <u>7-31-00</u>	SEC. <u>34</u>	TWP. <u>30s</u>	RANGE <u>10W</u>	CALLED OUT <u>3:00 PM</u>	ON LOCATION <u>5:30 PM</u>	JOB START <u>7:40 AM</u>	JOB FINISH <u>8:00 / 9:15 PM</u>
LEASE <u>ANTHONY</u>	WELL # <u>A-1</u>	LOCATION <u>RODGE RD + SHARON RD.</u>		COUNTY <u>KENNESAW</u>	STATE <u>KANSAS</u>		
OLD OR NEW (Circle one) <u>NEW</u>		<u>1E, 14AN</u>					

CONTRACTOR MALLARD JV #1
 TYPE OF JOB SURFACE
 HOLE SIZE 12 1/4" T.D. 255'
 CASING SIZE 8 7/8" X DEPTH 255'
 TUBING SIZE DEPTH
 DRILL PIPE DEPTH
 TOOL DEPTH
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT
 CEMENT LEFT IN CSG. 20'
 PERFS.
 DISPLACEMENT 15 BBLs.

OWNER AMERICAN ENERGIES CORP.
 CEMENT
 AMOUNT ORDERED
16Sx 60:40:2 + 3% CaCl2
120Sx CLASS A + 3% CaCl2
 COMMON A 219 @ 6.35 1390.65
 POZMIX 66 @ 3.25 214.50
 GEL 3 @ 9.50 28.50
 CHLORIDE 10 @ 28.00 280.00
 @
 @
 @
 @
 @
 @
 HANDLING 285 @ 1.05 299.25
 MILEAGE 285 X 22 .04 250.80

EQUIPMENT
 PUMP TRUCK CEMENTER KEVIN BAUNGERDT
 # 261-302 HELPER MARK BAUNGERDT
 BULK TRUCK
 # 301 DRIVER MIKE RUCKER
 BULK TRUCK
 # DRIVER

TOTAL ~~#2463.70~~
2463.70

REMARKS:

SERVICE

RUN 8 7/8" CASING + BREAK CIRCULATION
PUMP 3 BBLs. FRESH H2O
MIX 16Sx 60:40:2 + 3% CaCl2
DISPLACE PLUG TO 235' / 15 BBLs
CEMENT DID NOT CIRCULATE! 8:00 PM
RUN 40' 1" + CIRCULATE CEMENT TO
SURFACE WITH 120Sx CLASS A + 3% CaCl2

DEPTH OF JOB 255'
 PUMP TRUCK CHARGE 0-300' 470.00
 EXTRA FOOTAGE @
 MILEAGE 22 @ 3.00 66.00
 PLUG 8 7/8" TWP @ 45.00 45.00
 @
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TOTAL ~~#581.00~~
#581.00

CHARGE TO: AMERICAN ENERGIES CORP
 STREET 155 N. MARKET, ST. 710
 CITY WICHITA STATE KANSAS ZIP 67202

FLOAT EQUIPMENT

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 @
 @
 @
 @

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 367.90
 DISCOUNT 304.29 IF PAID IN 30 DAYS
2934.51

SIGNATURE X Laverne R. Urban

LAVON R. URBAN
 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.