

STATE CORPORATION COMMISSION OF KANSAS  
OIL & GAS CONSERVATION DIVISION  
WELL COMPLETION FORM  
ACQ-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: None

Operator Contact Person: Alan L. DeGood

Phone (316) 263-5785

Contractor: Name: Mallard JV, Inc.

License: 4958

Wellsite Geologist: Raymond Dombaugh

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: \_\_\_\_\_

Comp. Date \_\_\_\_\_ Old Total Depth \_\_\_\_\_

Deepening  Re-perf.  Conv. to Inj/SWD

Plug Back  PBTB

Commingled Docket No. \_\_\_\_\_

Dual Completion Docket No. \_\_\_\_\_

Other (SWD or Inj) Docket No. \_\_\_\_\_

8-27-97 Spud Date 9-3-97 Date Reached TD 10-10-97 Completion Date  
*KCC by U.C.* *KCC by U.C.*

API NO. 15- 15-083-21450-0000  
County Hodgeman *plugged 9/3/97*

C S/2 NW Sec. 1 Twp. 21S Rge. 21 X W

3300 Feet from S/W (circle one) Line of Section

3960 Feet from E/W (circle one) Line of Section

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

Lease Name Steffen Well # 1

Field Name Wildcat

Producing Formation Mississippian

Elevation: Ground 2182 KB 2187

Total Depth 4410 PBTB \_\_\_\_\_

Amount of Surface Pipe Set and Cemented at 8 5/8" X 20#  
set @ 271' 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 cat.

Drilling Fluid Management Plan DFA, 4-8-98 U.C.  
(Data must be collected from the Reserve Pit)

Chloride content 24,000 ppm Fluid volume 1,000 bbls

Dewatering method used \_\_\_\_\_

Location of fluid disposal if hauled offsite: 10-11-97

Operator Name \_\_\_\_\_

Lease Name \_\_\_\_\_ License No. \_\_\_\_\_

Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S Rng. \_\_\_\_\_ E/W \_\_\_\_\_

County \_\_\_\_\_ Docket No. \_\_\_\_\_

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.

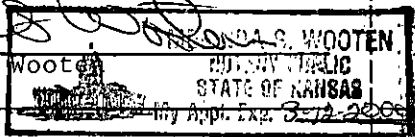
All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature Alan L. DeGood  
Title Alan L. DeGood, President Date 10-10-97  
President

Subscribed and sworn to before me this 10th day of October, 1997.

Notary Public Melinda S. Wooten  
Date Commission Expires 3-12-2000

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



SIDE TWO

Operator Name American Energies Corporation Lease Name Steffen Well # 1  
 Sec. 1 Twp. 21S Rge. 21  East County Hodgeman  
 West

**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 (Attach Additional Sheets.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Log Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	SEE ATTACHMENT	
Electric Log Run (Submit Copy.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Dual Compensated Porosity, Dual Induction,  
 List All E.Logs Run:

CASING RECORD <input type="checkbox"/> New <input checked="" 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 Casing	12 1/4"	8 5/8"	28#	271'	60/40	170	2% gel, 3% cc

ADDITIONAL CEMENTING/SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
Perforate				
Protect Casing	4410	60/40 poz 6%	175	60/40 poz - 6% gel
Plug Back TD		gel		
Plug Off Zone				

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

<b>TUBING RECORD</b>	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or In].	Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity
	N-A			

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

ORIGINAL

15-083-21450-0000

LEASE: Steffen #1  
SPOT LOCATION: 75' N C S/2 NW/4  
SEC/TWP/RNG: Section 1-T21S-R21W  
COUNTY: Hodgeman  
OPERATOR: American Energies Corp.  
CONTRACTOR: Mallard JV, Inc.  
NOTIFY: Bonneville Fuels,  
Hess Oil Company  
Paul Cambron

SURFACE CASING: Used 8 5/8" @ 271'  
PRODUCTION CASING:  
ELEVATION: GL: 2185 KB: 2190  
SPUD DATE: 8/27/97  
COMPLETION DATE:  
GEOLOGIST: Wellsite - Ray Dombaugh  
REFERENCE WELL:  
1: Woolsey - Steffen B1 - C NW SW Sec 1  
2: DNB Drlg- Steffen F1 - C NE SW Sec 1  
3:

~~FORMATION: SAMPLE LOG: COMPARISON: ELECTRIC LOG TOPS:~~

			#1	#2	#3		
Anhy. Top	1352	+838	-12	-4			
Anhy. Base	1382	+808					
Heebner	3709	-1514	-21	-6		3702	-1512
Lansing	3757	-1567	-17	-9		3753	-1563
Base KC	4115	-1925	-18	-10		4110	-1920
Fort Scott	4276	-2086	-19	-18		4276	-2086
Mississippi	4348	-2158	-39	-28		4348	-2158
RTD	4410	-2220					
LTD	4410						

8/21/97 Moving in Mallard JV Rig #1. Waiting on location to dry out.  
8/28/97 Drilling @ 415, finished moving in rig. Spudded @ 1:45 p.m. 8/27/97. Drilled 12 1/4" hole to 271'. Circulated hole clean, TOH with DC and ran 6 jts of 8 5/8" used 28# casing. Total length - 264' set @ 271'. Cemented with 170 sx 60/40 poz, cement circulated. Plug down @ 8:00 p.m. 8/27/97.  
8/29/97 Drilling at 1982'.  
8/30/97 Drilling at 2752'.  
8/31/97 Drilling at 3455'.  
9/01/97 Drilling at 4057', mudded up, wellsite geologist on his way to location.  
9/02/97 Drilling at 4350'.  
9/03/97 RTD: 4410, Drilled to total depth, logged with CNL, FDL & DIL, Plugged well. Plugging Information as follows:  
  
50 sx at 1380'  
40 sx at 575'  
50 sx at 300'  
10 sx at 40'  
15 sx in Rathole  
10 sx in Mousehole - Total of 175 sx 60/40 poz 6% gel. Plug down at 4:00 a.m. Cementing by Allied of Great Bend. Scott Alberg - State Plugging Representative.

ORIGINAL

**M**ALLARD JV, Inc.  
DRILLING CONTRACTORS

P. O. Box 1009  
McPHERSON, KS 67460

316-241-4640

**Drillers Log**

OPERATOR: **American Energies Corporation**  
1155 N. Market, Suite 710  
Wichita, KS 67202

WELL: **Steffen #1**

API #: 15-083-21450-0000

COMMENCED: August 27, 1997

LOCATION: **C S2 NW**  
3300' FSL, 3960' FEL  
Section 1, Township 21 S, Range 21 W  
Hodgeman County, Kansas

COMPLETED: September 3, 1997

TOTAL DEPTH: 4410'

ELEVATION: 2182' GL, 2187' KB

STATUS: Dry and Abandoned - Mississippian Formation

SPUD: 1:45 pm 8/27/97

SIZE HOLE DRILLED: 12-1/4" x 271'

SURFACE CASING SIZE: 8-5/8" x 20# x 264.65' (6 jts.)

SET AT: 171'

CEMENT: 170 sacks 60/40 Pozmix, 3% cc, 2% gel

SIZE HOLE DRILLED: 7-7/8" x 4410' RTD

PLUGGED HOLE WITH: 175 sacks 60/40 Pozmix, 6% gel, as follows:

50 sx @ 1380'

40 sx @ 575'

50 sx @ 300'

10 sx @ 40'

15 sx rathole

10 sx mousehole

P. D.: 4:00 am 9/3/97

DRILL STEM TESTS: None

ELECTRIC LOG: Yes

TELEPHONE:

AREA CODE 913 483-2627  
AREA CODE 913 483-3887

# ALLIED CEMENTING COMPANY, INC.

P. O. BOX 31  
RUSSELL, KANSAS 67665

Federal Tax I.D.# 48-0727860

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

*AD*

INVOICE NO. 75905  
PURCHASE ORDER NO. \_\_\_\_\_  
LEASE NAME Steffen #1  
DATE 9-3-97

**ORIGINAL**

SERVICE AND MATERIALS AS FOLLOWS:

Common 105 sks @\$6.35	\$666.75	
Pozmix 70 sks @\$3.25	227.50	
Gel 9 sks @\$9.50	<u>85.50</u>	\$ 979.75
Handling 175 sks @\$1.05	183.75	
Mileage (38) @\$.04¢ per sk per mi	266.00	
Rotary Plug	470.00	
M1 @\$2.85 pmp trk chg	108.30	
1 plug	<u>23.00</u>	<u>1,051.05</u>
	Total	\$2,030.80

If Account CURRENT a  
Discount of \$ 304.52  
will be Allowed ONLY if  
Paid Within 30 Days from  
Date of Invoice.

*Thank You!*

All Prices Are Net, Payable 30 Days Following Date of Invoice. 1½% Charged Thereafter.

PAID  
SEP 11 1997  
10 2 59

# ALLIED CEMENTING CO., INC.

5736

ORIGINAL

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

SERVICE POINT:  
*Great Bend, Ks.*

DATE <i>9-3-97</i>	SEC. <i>1</i>	TWP. <i>21</i>	RANGE <i>21</i>	CALLED OUT <i>10:00 PM</i>	ON LOCATION <i>1:30 AM</i>	JOB START <i>2:30</i>	JOB FINISH <i>4:00 AM</i>
LEASE <i>Steffen</i>	WELL# <i>1</i>	LOCATION <i>Alexander, Ks</i>			COUNTY <i>Hodgeman</i>	STATE <i>Ks</i>	

OLD OR (NEW) (Circle one)

CONTRACTOR *Mallard Drilling*

TYPE OF JOB *Rotary Plug*

HOLE SIZE *7 7/8"* T.D.

CASING SIZE *3 1/2"* DEPTH

TUBING SIZE DEPTH

DRILL PIPE *4 1/2"* DEPTH *1380'*

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG.

PERFS.

OWNER *Same*

CEMENT

AMOUNT ORDERED *175 bx 60/40 6% gel*

COMMON	<i>105 bx.</i>	@	<i>6.35</i>	<i>666.75</i>
POZMIX	<i>70 bx.</i>	@	<i>3.25</i>	<i>227.50</i>
GEL	<i>9 bx.</i>	@	<i>9.50</i>	<i>85.50</i>
CHLORIDE		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<i>175 bx</i>	@	<i>1.05</i>	<i>183.75</i>
MILEAGE	<i>175-38</i>		<i>04</i>	<i>266.00</i>

TOTAL *1429.50*

EQUIPMENT

PUMP TRUCK CEMENTER *Duane Smith*

# *120* HELPER *Kevin Rose*

BULK TRUCK

# *342* DRIVER *Kerry Rose*

BULK TRUCK

# DRIVER

REMARKS:

*mixed 50 bx @ 1380' - displaced @ rig mud*

*mixed 40 bx @ 575'*

*mixed 50 bx @ 300'*

*mixed 10 bx - 40'*

*mixed 15 bx - rat hole*

*mixed 10 bx - mouse hole*

*Total bx 175 - empty*

SERVICE

DEPTH OF JOB	<i>1380'</i>		
PUMP TRUCK CHARGE			<i>470.00</i>
EXTRA FOOTAGE		@	
MILEAGE	<i>38</i>	@	<i>2.85</i>
PLUG	<i>1 8 5/8" DHP</i>	@	<i>23.00</i>
		@	
		@	

TOTAL *601.30*

CHARGE TO: *American Energies Corp.*

STREET *155 N. Market Suite 710*

CITY *Wichita* STATE *Ks* ZIP

FLOAT EQUIPMENT

	@		
	@		
	@		
	@		
	@		
TOTAL			<i>0.00</i>

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 *\$ 2030.80*

DISCOUNT *304.62* IF PAID IN 30 DAYS

*Net \$ 1726.18*

SIGNATURE *Mark D. Elser*

## 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.

TELEPHONE

AREA CODE 913 483-2627  
AREA CODE 913 483-3887

# ALLIED CEMENTING COMPANY, INC.

P. O. BOX 31

RUSSELL, KANSAS 67665

Federal Tax I.D.# 48-0727860

TO: American Energies Corp.  
 155 N. Market St #710  
 Wichita, KS 67202  
*21-26*

INVOICE NO. 75875  
 PURCHASE ORDER NO.  
 LEASE NAME Steffen #1  
 DATE 8-27-97

SERVICE AND MATERIALS AS FOLLOWS:

## ORIGINAL

Common 102 sks @ \$6.35	\$647.70
Pozmix 68 sks @ \$3.25	221.00
Gel 3 sks @ \$9.50	28.50
Chloride 5 sks @ \$28.00	<u>140.00</u>

\$1,037.20

Handling 170 sks @ \$1.05	178.50
Mileage (38) @ \$.04¢ per sk per mi	258.40
Surface	470.00
Mi @ \$2.85 pmp trk chg	108.30
1 plug	<u>45.00</u>

1,060.20

Total

\$2,097.40

If Account CURRENT a  
 Discount of \$ 314.61  
 will be Allowed ONLY if  
 Paid Within 30 Days from  
 Date of Invoice.

*Thank You!*

All Prices Are Net, Payable 30 Days Following Date of Invoice. 1½% Charged Thereafter.

PAID  
 AUG 29 1997  
 10-2-97  
 11-2-97



# ALLIED CEMENTING CO., INC.

5731

ORIGINAL

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

SERVICE POINT:  
Great Bend, Ke.

DATE <u>8-27-97</u>	SEC. <u>1</u>	TWP. <u>21</u>	RANGE <u>21</u>	CALLED OUT <u>3:00 PM</u>	ON LOCATION <u>5:30 PM</u>	JOB START <u>7:00 PM</u>	JOB FINISH <u>8:00 PM</u>
LEASE <u>Stoffen</u>	WELL # <u>1</u>	LOCATION <u>Alexander, Ks 145 Jog E-1 S-1 3-W N-into</u>			COUNTY <u>Hodgeman</u>	STATE <u>Ks.</u>	

OLD OR (NEW) (Circle one)

CONTRACTOR Mallard Drilling  
 TYPE OF JOB Surface casing  
 HOLE SIZE 12 1/4" T.D. 274'  
 CASING SIZE 8 5/8" DEPTH 271'  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. 15'  
 PERFS. Diapher 16

OWNER Same

AMOUNT ORDERED 170 bx. 60/40 3% cc 2% gel

COMMON	<u>102</u>	@	<u>6.35</u>	<u>647.70</u>
POZMIX	<u>68</u>	@	<u>3.25</u>	<u>221.00</u>
GEL	<u>3</u>	@	<u>9.50</u>	<u>28.50</u>
CHLORIDE	<u>5</u>	@	<u>28.00</u>	<u>140.00</u>
_____	_____	@	_____	_____
_____	_____	@	_____	_____
_____	_____	@	_____	_____
_____	_____	@	_____	_____
HANDLING	<u>170</u>	@	<u>1.05</u>	<u>178.50</u>
MILEAGE	<u>38</u>			<u>258.40</u>

**EQUIPMENT**

PUMP TRUCK CEMENTER Duane A. Smith  
 # 120 HELPER Kevin Rose  
 BULK TRUCK DRIVER Kerry Rose  
 # 342  
 BULK TRUCK DRIVER \_\_\_\_\_  
 # \_\_\_\_\_

TOTAL \$ 1474.10

**REMARKS:**

**SERVICE**

Broke circulation @ rig pump  
Pumped 10 barrels H<sub>2</sub>O ahead  
Mixed 170 bx 60/40 3% cc 2% gel  
Displaced with 16 Barrels water  
Cement did circulate ✓

DEPTH OF JOB	<u>274'</u>		
PUMP TRUCK CHARGE	<u>0-300'</u>		<u>470.00</u>
EXTRA FOOTAGE	_____	@	_____
MILEAGE	<u>38</u>	@	<u>2.85</u> <u>108.30</u>
PLUG	<u>(1) Two cup wood</u>	@	<u>45.00</u> <u>45.00</u>
_____	_____	@	_____
_____	_____	@	_____

TOTAL \$ 623.30

CHARGE TO: American Energies Corp  
 STREET 155 N. Market, Suite #710  
 CITY Wichita STATE Ks. ZIP 67202

**FLOAT EQUIPMENT**

_____	@	_____
_____	@	_____
_____	@	_____
_____	@	_____
_____	@	_____
TOTAL		_____

*Thank You!*

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 - 0 -  
 TOTAL CHARGE \$ 2097.40  
 DISCOUNT \$ 314.61 IF PAID IN 30 DAYS

net \$ 1782.79

SIGNATURE [Signature]

## 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.