

American Energies
Corporation

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

**KAUFMAN #4
DRILLING REPORT**

AEC LEASE: 10481396
LOCATION: S2 NW NE Section 5-T28S-R6W
COUNTY: Kingman
API: 15-095-22236
CONTRACTOR: Pickrell Drilling 620.786.7133

SURFACE CASING: 8 5/8" 23# set @ 253'
PRODUCTION CASING:
PROJECTED RTD: 4300' estimated

GEOLOGIST: David Goldak

G.L.: 1549' **K.B.:** 1559'

SPUD DATE: 11/26/11

COMPLETION DATE:

NOTIFY: American Energies Corp.
Hyde Resources
Dianne DeGood Family Trust
~~Gar Oil Corp, fax to 817-738-1737~~
Kendall and Melinda Wooten, JTWROS
Clemon and Jane E. Kaufman
Frank E. Novy Trust
Don D. Dye
Stump Properties, LP
J & F Investments
Barry Considine
Peter J. Coakley

REFERENCE WELLS:
1. AEC's Kaufman #1 – NW/4 Sec. 5-28S-6W
2. M & R Farms #1 – SE/4 Sec. 32-27S-6W

FORMATION:	SAMPLE LOG:	COMPARISON		ELECTRIC LOG TOPS:	COMPARISON:			
		#1	#2					
Onaga Shale	1940	-381	+7	+9	1941	-382	+6	+8
Indian Cave	absent				absent			
Wabaunsee	1995	-436	+9	-6	1990	-431	+14	-1
Heebner	2890	-1331	+11	-5	2892	-1333	+9	-7
Lansing	3152	-1593	+7	-3	3153	-1594	+6	-4
Swope	3520	-1961	+9	-7	3524	-1965	+5	-11
Hertha	3561	-2002	+10	-3	3564	-2005	+7	-6
Cherokee	3770	-2211	+5	-13	3774	-2215	+1	-17
Miss	3902	-2343	-13	-19	3905	-2346	-16	-22
TD	3972	-2413			3977	-2418		

11/25/11 MIRU and RURT. Spud well at 9:15 p.m. Drilled 12 1/4" surface hole to 272' KB. Lost circulation at 121'. SHT @ 272' = 1 1/4 degree deviation. Ran in 6 jts of new 8 5/8" 20# surface casing set at 267' KB (tally was 255'). Cemented with 225 sx 60/40 poz, 2% gel, 3% CC. Allied Ticket #037845.

11/26/11 Plug down at 11:30 a.m. Cement did circulate.

11/27/11 Making rig repairs. At 4:00 p.m. pumping water and preparing to drill plug and cement.

11/28/11 Drilling ahead at 1372'. SHT @ 781' 1 degree deviation, 1046' = 1/2 degree deviation, 1374' = 1 degree deviation.

11/29/11 Drilling ahead at 2225'. SHT @ 1808 = 1/2 degree deviation. Geologist on location.

11/30/11 Drilling ahead at 2844'. SHT @ 2429' = 1 1/2 degree deviation, @ 2678 = 1 1/4 degree deviation.

Kaufman #4
Drilling Report
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- 12/01/11 Drilling ahead at 3395'. SHT @ 3178 = 34 degree deviation.
Both the Swope and Hertha were void of shows. No gas detector kick and low porosity.
Will drill forward for the Mississippian.
- 12-02-11 Drlg. ahead @ 3863'. SHT @ 3676' = 1°. Preparing for DST#1. Mississippian had
200' Unit Gas Kick, gds h of oil & gas in samples.
- 12-02-11 DST#1: Mississippian 3903-22' Times: 30-6-30-60. Rec. 425' MW (95% Water,
5%Mud), Chlorides: 54,000 ppm.
ISIP: 1093-1070#
IFP: 39-122#
FFP: 129-190#
BHT: 120°.
- 12-03-11 8:00 a.m. Drilling ahead 3965'. TD 3972' Will log and expect to be Plugging &
Abandoning
- 12-04-11 Reached RTD: 3972. Ran E-Logs, LTD: 3977'. P & A as follows:
35 sx @ 1100', 35 sx @ 600', 35 sx @ 317', 25 sx @ 60', 30 SX in RH of 60/40 poz,
4% gel. Plugging completed at midnight on 12/03/11. Allied Ticket #042309. Plugging
permission from Steve Van Gieson on 11/23 @ 10:15 a.m. Released rig. Final Report.

Mindy 316-263-1851

ALLIED CEMENTING CO., LLC. 037845

Federal Tax I.D.# 20-5975804

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

SERVICE POINT:
Medicine Lodge KS

DATE <i>11 26 11</i>	SEC. <i>05</i>	TWP. <i>28</i>	RANGE <i>06W</i>	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
LEASE <i>Kaufman</i>		WELL # <i>4</i>		LOCATION <i>Kingman, E. - old 54, 36, 16,</i>		COUNTY <i>Kingman</i>	STATE <i>KS</i>
OLD OR NEW (Circle one)				<i>KS</i>		<i>2-01 MBE</i>	

CONTRACTOR *Pickrell*

TYPE OF JOB *Surface*

HOLE SIZE *12 1/4* T.D. *272*

CASING SIZE *8 1/2* DEPTH *272*

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX *300* MINIMUM *—*

MEAS. LINE SHOE JOINT *—*

CEMENT LEFT IN CSG. *20'*

PERFS.

DISPLACEMENT *16 Bbls Fuel 430*

OWNER *American Energy 6.3%*

CEMENT:

AMOUNT ORDERED *225 x 60.40 29.94*

3% cc

COMMON	153 sacks "A"	@ 16.25	2486.25
POZMLX	102 sacks	@ 8.50	867.00
GEL	5 sacks	@ 21.25	106.25
CHLORIDE	9 sacks	@ 58.20	523.80
ASC		@	

EQUIPMENT

PUMP TRUCK CEMENTER *DeFels*

360-265 HELPER *Jason Thimerech 2*

BULK TRUCK *3 3*

341 DRIVER *John / Jacob K. GB*

BULK TRUCK

DRIVER

HANDLING	<i>21.9</i>	@	<i>2.25</i>	<i>105.25</i>
MILEAGE	<i>210.9 x 11 x 50</i>	@		<i>1479.50</i>
			TOTAL	

REMARKS:

Pipe on Bottom, Attempt to Break Line, Mix 225 ss 60.40 cement, Disp. off 16 Start Disp. Wash up truck, saw inadequate in P.S. - Slow Rate Skip Pump at 16 Bbls total Disp. Shutting Cement

Ditch

SERVICE

DEPTH OF JOB *272*

PUMP TRUCK CHARGE *1125.00*

EXTRA FOOTAGE @

MILEAGE *100 @ 7.00 700*

MANIFOLD *100 @ 4.00 400*

Light Vehicle *100 @*

CHARGE TO: *American Energy*

STREET

CITY STATE ZIP

PLUG & FLOAT EQUIPMENT

Ed-Basket @ *478-*

TOTAL *\$478.00*

To Allied Cementing Co., LLC.

You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME *Mike Kohn*

SIGNATURE *Mike Kohn*

SALES TAX (If Any) *250.95*

TOTAL CHARGES *8293.05*

DISCOUNT *20%* IF PAID IN 30 DAYS

011658.61

ALLIED CEMENTING CO., LLC. 042309

Federal Tax I.D.# 20-5975804

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

SERVICE POINT:
Crestwood KS

DATE <u>12-3-11</u>	SEC. <u>5</u>	TWP. <u>283</u>	RANGE <u>6W</u>	CALLED OUT	ON LOCATION	JOB START <u>1100 am</u>	JOB FINISH <u>1700 am</u>
LEASE <u>Kingman</u>		WELL# <u>4</u>		LOCATION <u>Kingman KS 3E to 10 rd</u>		COUNTY <u>Kingman</u>	STATE <u>KS</u>
OLD OR NEW (Circle one)				<u>4E to Coave 15 1/2 E Sinto</u>			

CONTRACTOR Proxell Drilling #11
 TYPE OF JOB Rotary plug
 HOLE SIZE 7 1/8 I.D. 3972
 CASING SIZE 8 3/8 DEPTH 240
 TUBING SIZE DEPTH
 DRILL PIPE 4 1/2 DEPTH 1100
 TOOL DEPTH
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT
 CEMENT LEFT IN CSG. All
 PERFS.
 DISPLACEMENT Freshwater

OWNER American Energies
 CEMENT
 AMOUNT ORDERED 160 sd 60/140 49 bagel

COMMON	<u>96</u>	@ <u>16.25</u>	<u>1560.00</u>
POZMIX	<u>64</u>	@ <u>8.50</u>	<u>544.00</u>
GEL	<u>6</u>	@ <u>21.25</u>	<u>127.50</u>
CHLORIDE		@	
ASC		@	
HANDLING	<u>166</u>	@ <u>2.25</u>	<u>373.50</u>
MILEAGE	<u>166 x 34 x .11</u>		<u>97.54</u>

EQUIPMENT
 PUMP TRUCK CEMENTER Bob G.
 # 366 HELPER Dustin C
 BULK TRUCK
 # 341 DRIVER Kevin W / Wace P.
 BULK TRUCK
 # DRIVER

TOTAL 3518.00

REMARKS:

1st plug at 1100' mid 35 sd
2nd plug at 600' mid 35 sd
3rd plug at 317' mid 35 sd
4th plug at 90' mid 35 sd
RT mid 30 sd

SERVICE

DEPTH OF JOB	<u>1100</u>		
PUMP TRUCK CHARGE			<u>1250.00</u>
EXTRA FOOTAGE		@	<u>200.00</u>
MILEAGE Hum	<u>100</u>	@ <u>7.00</u>	<u>700.00</u>
MANIFOLD		@	
LU M	<u>100</u>	@ <u>4.00</u>	<u>400.00</u>

TOTAL 2350.00

CHARGE TO: American Energies
 STREET _____
 CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

		@	
		@	
		@	
		@	
		@	

TOTAL _____

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SALES TAX (If Any) _____
 TOTAL CHARGES 5.800.00
 DISCOUNT 20% 1173.60
4.694.40 IF PAID IN 30 DAYS

PRINTED NAME Ronald Moon
 SIGNATURE Ronald Moon
 ml



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

American Energies Corp.

5-28s-6w-Kingman

155 N. Market
Suite 710
Wichita, KS. 67202
ATTN: Dave Goldak

Kaufman #4

Job Ticket: 44700

DST#: 1

Test Start: 2011.12.02 @ 16:34:02

GENERAL INFORMATION:

Formation: **Mississippi**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 18:51:32

Time Test Ended: 01:16:17

Test Type: Conventional Bottom Hole (Initial)

Tester: Jason McLemore

Unit No: 54

Interval: **3903.00 ft (KB) To 3922.00 ft (KB) (TVD)**

Total Depth: 3922.00 ft (KB) (TVD)

Hole Diameter: 7.80 inches Hole Condition: Good

Reference Elevations: 1559.00 ft (KB)

1549.00 ft (CF)

KB to GR/CF: 10.00 ft

Serial #: 8673

Inside

Press@RunDepth: 189.63 psig @ 3904.00 ft (KB)

Start Date: 2011.12.02

End Date: 2011.12.03

Capacity: 8000.00 psig

Last Calib.: 2011.12.03

Start Time: 16:34:04

End Time: 01:16:17

Time On Btm: 2011.12.02 @ 18:50:17

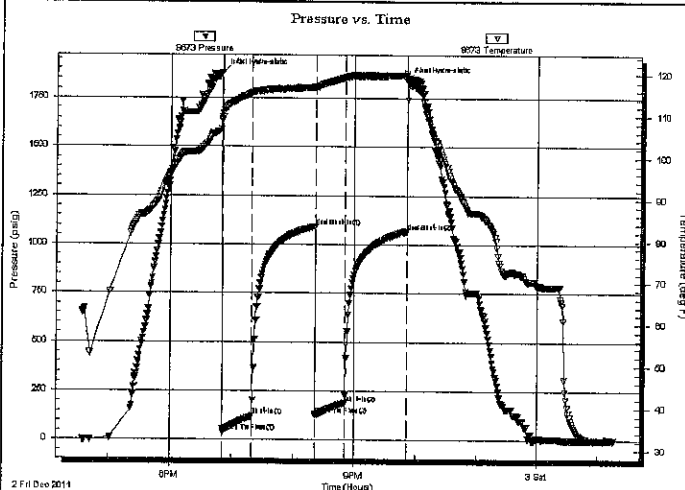
Time Off Btm: 2011.12.02 @ 21:51:17

TEST COMMENT: IFF-Strong, BOB in 2 Min.

ISI-Dead

FFP-Good Blow, BOB in 7 Min.

FSI-Dead



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1876.74	109.36	Initial Hydro-static
2	38.92	110.69	Open To Flow (1)
30	121.89	115.63	Shut-In (1)
92	1093.43	116.96	End Shut-In (1)
92	128.86	116.60	Open To Flow (2)
121	189.63	119.20	Shut-In (2)
181	1069.72	119.83	End Shut-In (2)
181	1835.63	120.32	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
425.00	Muddy Water	4.84

Gas Rates

	Choke (Inches)	Pressure (psig)	Gas Rate (Mcf/d)



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

FLUID SUMMARY

American Energies Corp.

5-28s-6w-Kingman

155 N. Market
Suite 710
Wichita, KS. 67202
ATTN: Dave Goldak

Kaufman #4
Job Ticket: 44700 DST#: 1
Test Start: 2011.12.02 @ 16:34:02

Mud and Cushion Information

Mud Type: Gel Chem	Cushion Type:	Oil API:	deg API
Mud Weight: 9.00 lb/gal	Cushion Length: ft	Water Salinity: 54000 ppm	
Viscosity: 42.00 sec/qt	Cushion Volume: bbl		
Water Loss: 10.40 in ³	Gas Cushion Type:		
Resistivity: ohm.m	Gas Cushion Pressure: psig		
Salinity: 3000.00 ppm			
Filter Cake: inches			

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
425.00	Muddy Water	4.841

Total Length: 425.00 ft Total Volume: 4.841 bbl
 Num Fluid Samples: 0 Num Gas Bombs: 0 Serial #:
 Laboratory Name: Laboratory Location:
 Recovery Comments:

Serial #: 8673

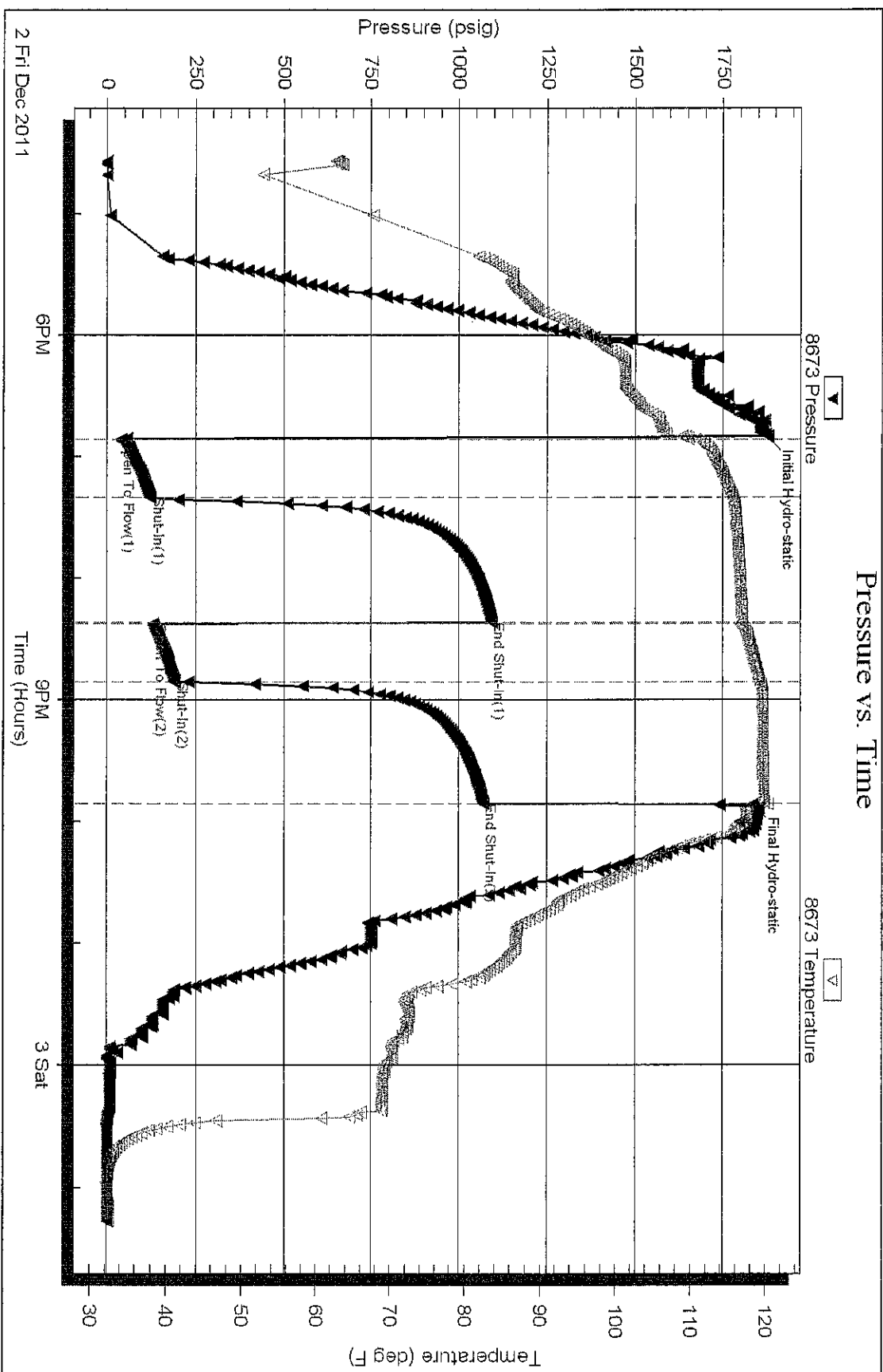
Inside

American Energies Corp.

Kaufman #4

DST Test Number: 1

Pressure vs. Time



Triobite Testing, Inc

Ref. No: 44700

Printed: 2011.12.03 @ 08:40:41