

DEC 15 2000

CONSERVATION DIVISION
Wichita, KansasJAMES W. THOMPSON
PETROLEUM GEOLOGIST
641 NORTH WOODLAWN #7
WICHITA, KANSAS 67208
316-686-5095

ORIGINAL

PALOMINO PETROLEUM, INC.
#3 NORTON "C"NW/4 SW/4 NW/4
SEC. 24-17S-26W
NESS COUNTY, KANSASGEOLOGICAL REPORT

This well was drilled with rotary tools, Pickrell Drilling Co., Inc. of Wichita, Kansas, the contractor.

Spudded November 28, 2000. Set 212' of 8-5/8" surface casing and cemented with 150 sacks 60-40 pozmix; 2% gel; 3% cc. Plug down 5:00 AM 11/28/00. Cement circulated.

Rotary completed December 6, 2000.

SAMPLE TOPS

Anhydrite	1818 +657
Topeka	3481 -1006
Heebner Shale	3753 -1278
Lansing-Kansas City	3792 -1317
Base Kansas City	4151 -1612
Pawnee	4244 -1769
Fort Scott	4309 -1834
Cherokee	4335 -1860
Mississippi Dolomite (Dolomitic Limestone)	4412 -1937
Total Depth	4428 -1953

REMARKS

The Mississippi Dolomite consisted of fine to medium crystalline dolomitic limestone with good porosity and a good show of dark free oil. The wet samples had a good odor and oil staining and saturation was present in the dry samples from the top of the Mississippi at 4412' to the Total Depth of 4428'. This interval was covered in Drill-Stem Test #1 and Drill-Stem Test #2.

DEC 15 2000

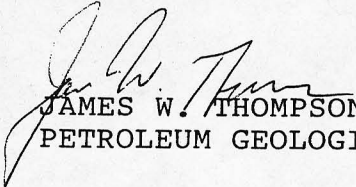
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CONSERVATION DIVISION
Wichita, Kansas

Drill-Stem Test #1 was taken from 4383' to 4418'. The tool was open 30 minutes; shut in 30 minutes; open 30 minutes; shut in 30 minutes. Had a weak, intermittent blow on the initial opening; very weak blow, dead in 10 minutes on the second opening. Recovered 1 foot of oil and 15 feet of watery mud (not salty). IBHP 589#. FBHP 353#. IFP 23# - 23#. FP 35# - 35#.

Drill-Stem Test #2 was taken from 4418' to 4428'. The tool was open 30 minutes; shut in 30 minutes; open 30 minutes; shut in 30 minutes. Had a weak blow throughout the test. Recovered 5 feet of oil & 85 feet of muddy salt water. Initial BHP 990#. Final BHP 1082#. Initial FP 11# - 11#. Final FP 2# - 22#.

Because of the negative results of drill-stem tests #1 and #2, the #3 Norton "C" was plugged and abandoned.



JAMES W. THOMPSON
PETROLEUM GEOLOGIST

ED 15 2000

DRILL-STEM TEST DATA

CONSERVATION DIVISION

Wichita, Kansas

Well Name	Norton "C"	Test No.	1
Well Number	3	Zone Tested	Miss
Company	Palomino Petroleum Inc	Date	12/5/00
Comp. Rep.	J Thompson	Tester	Don Fabricius
Contractor	Pickrell Drlg	Ticket No.	3383
Location	24-17-26	Elevation	

Recorder No. 3088 Clock Range 12 Recorder No. 4377 Clock Range 12

Depth 4410 Depth 4414

Initial Hydro Mud Press. 1890 Initial Hydro Mud Press. 1890

Initial Shut-in Press. 589 Initial Shut-in Press. 586

Initial Flow Press. 23-23 Initial Flow Press. 23-23

Final Flow Press. 35-35 Final Flow Press. 35-35

Final Shut-in Press. 353 Final Shut-in Press. 352

Final Hydro Mud Press. 1890 Final Hydro Mud Press. 1890

Temperature _____ Tool Open Before I. S. I. 30 Mins.

Mud Weight 9.3 Viscosity 44 Initial Shut-in 30 Mins.

Fluid Loss 10.4 Flow Period 30 Mins.

Interval Tested 4383-4418 Final Shut-in 30 Mins.

Top Packer Depth 4378 Surface Choke Size 1

Bottom Packer Depth 4383 Bottom Choke Size 3/4

Total Depth 4418 Main Hole Size 7 7/8

Drill Pipe Size 4 1/2 X H Wt. 16.60 Rubber Size _____

Drill Collar I. D. _____ Ft. Run _____

Recovery—Total Feet _____

Recovered 1 Feet Of Free oil on top

Recovered 15 Feet Of Mud

Recovered _____ Feet Of _____

Recovered _____ Feet Of _____

Remarks _____

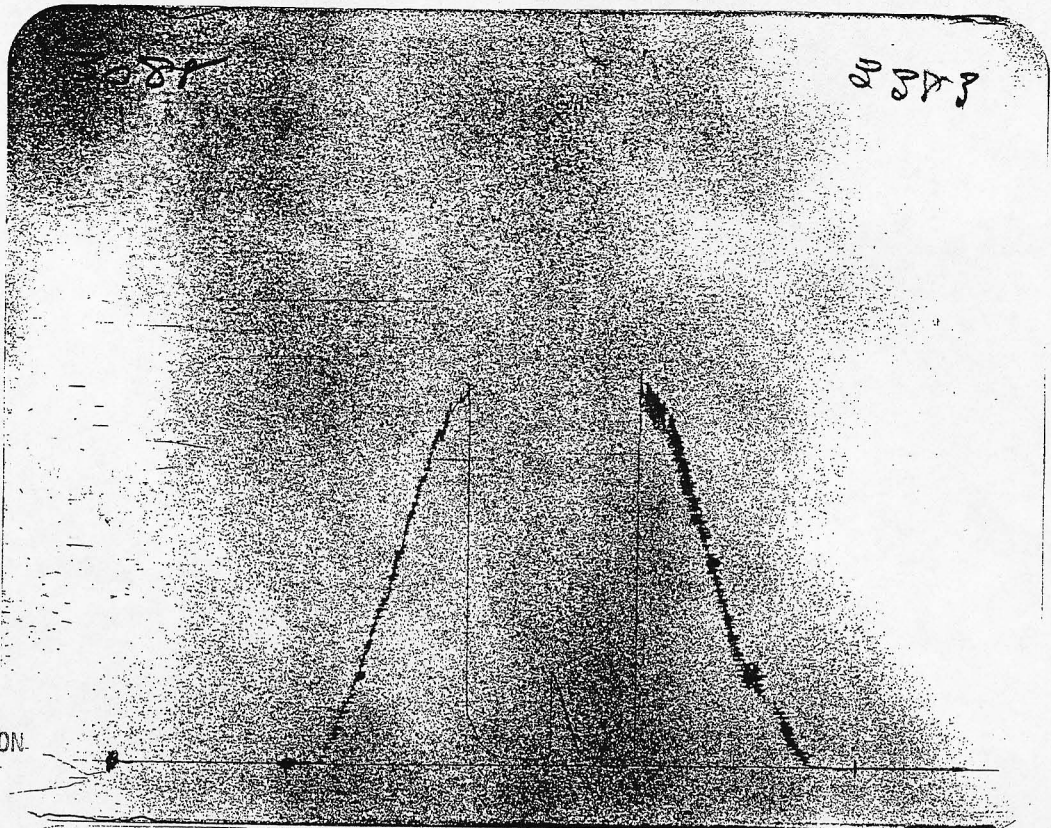
Very weak blow on initial flow

Very weak blow dead in 10 min on second flow

THIS ORDER MUST BE SIGNED BEFORE WORK IS COMMENCED. CONDITIONS: It is expressly understood and agreed that the above described work shall be done under the exclusive control, direction and supervision of the owner or contractor. As a part of the consideration for this agreement, it is expressly understood and agreed that Arrow Testing Company shall not be responsible for damages or losses of any kind whatsoever occasioned by or incident to the use of the above described Tools, whether run or operated by customer, or by anyone employed directly or indirectly by Arrow Testing Company, nor whether resulting from the acts or omissions of Arrow Testing Company, or any of its agents, servants or employees in any way connected with or related to the use of such Tools.

It is expressly understood and agreed that Arrow Testing Company, shall not be bound by any agreement, not herein contained, and no agent or representative connected with or employed by Arrow Testing Company has authority to alter or extend the terms of this agreement. I have read and understand the terms of this agreement and represent that I am authorized to sign the same as agent of customer.

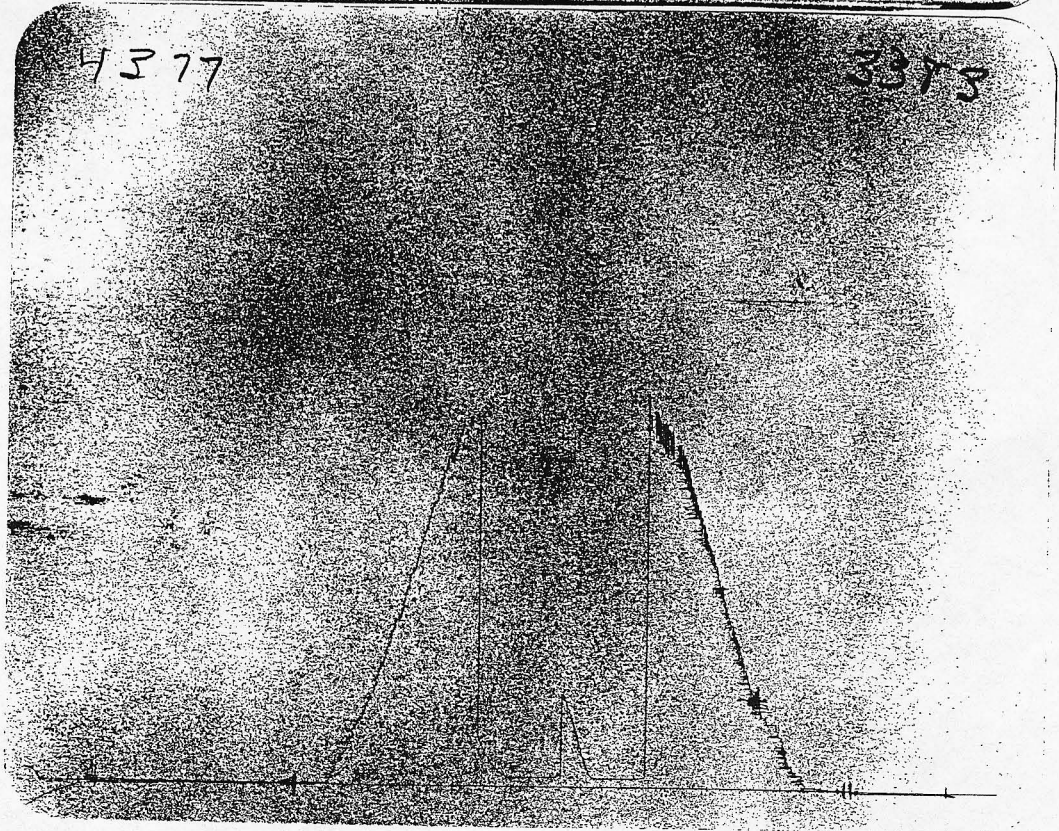
ORIGINAL



RECEIVED
STATE CORPORATION COMMISSION

DEC 15 2000

CONSERVATION DIVISION
Wichita, Kansas



DRILL-STEM TEST DATA

RECEIVED

Well Name	Norton "C"	STATE CORPORATION COMMISSION	Test No.	2
Well Number	3	11-15-2000	Zone Tested	Miss
Company	Palomino Petroleum Inc	CONSERVATION DIVISION	Date	12/6/00
Comp. Rep.	J Thompson	Wichita, Kansas	Tester	Don Fabricius
Contractor	Pickrell Drlg		Ticket No.	3384
Location	24-17-26		Elevation	

Recorder No. 3088 Clock Range 12 Recorder No. 4377 Clock Range 12

Depth 4420 Depth 4424

Initial Hydro Mud Press. 2208 Initial Hydro Mud Press. 2208

Initial Shut-in Press. 1004 Initial Shut-in Press. 1009

Initial Flow Press. 11-11 Initial Flow Press. 46-46

Final Flow Press. 23-23 Final Flow Press. 58-58

Final Shut-in Press. 1059 Final Shut-in Press. 1066

Final Hydro Mud Press. 2208 Final Hydro Mud Press. 2208

Temperature _____ Tool Open Before I. S. I. 30 Mins.

Mud Weight 9.4 Viscosity 44 Initial Shut-in 30 Mins.

Fluid Loss 10 Flow Period 30 Mins.

Interval Tested 4418-28 Final Shut-in 30 Mins.

Top Packer Depth 4413 Surface Choke Size 1

Bottom Packer Depth 4418 Bottom Choke Size 3/4

Total Depth 4428 Main Hole Size 7 7/8

Drill Pipe Size 4 1/2 X H Wt. 16.60 Rubber Size 6 3/4

Drill Collar I. D. _____ Ft. Run _____

Recovery—Total Feet _____

Recovered 5 Feet Of Oil on top

Recovered 85 Feet Of Muddy water

Recovered _____ Feet Of _____

Recovered _____ Feet Of _____

Remarks

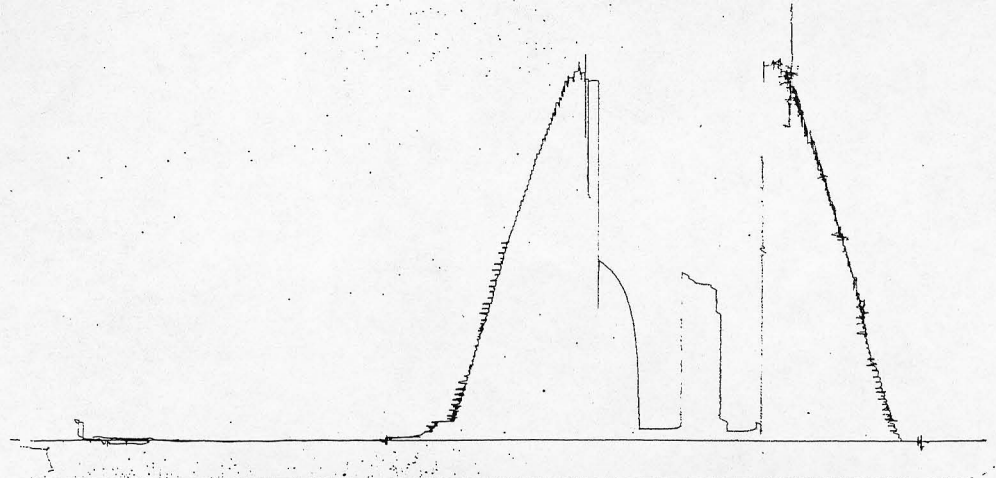
Weak blow thru-test

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It is expressly understood and agreed that Arrow Testing Company, shall not be bound by any agreement, not herein contained, and no agent or representative connected with or employed by Arrow Testing Company has authority to alter or extend the terms of this agreement. I have read and understand the terms of this agreement and represent that I am authorized to sign the same as agent of customer.

4377

3384



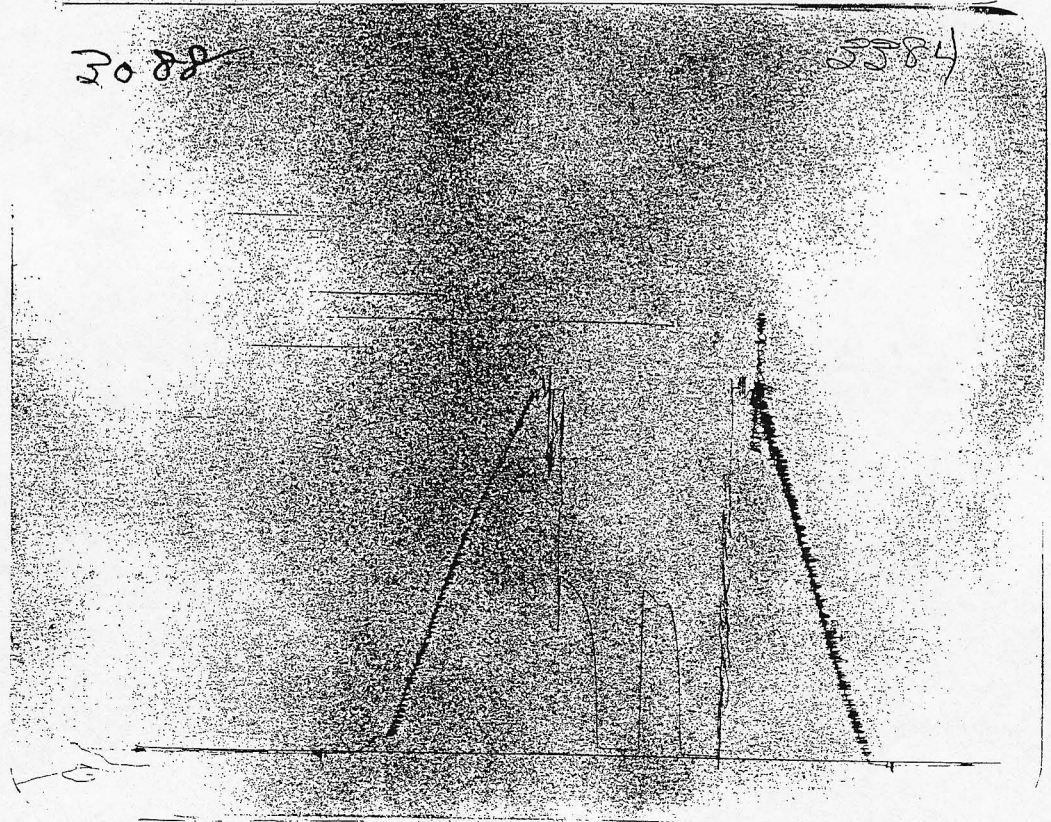
RECEIVED
STATE CORPORATION COMMISSION

EO 12000

CONSERVATION DIVISION
Wichita, Kansas

3088

3384



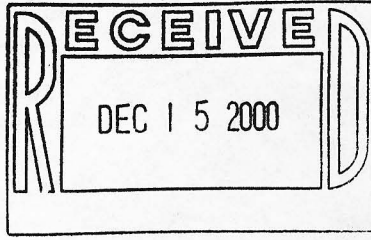
ALLIED CEMENTING CO., INC.

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

 * I N V O I C E *

Invoice Number: 082941

Invoice Date: 12/06/00



Old Palomino Petroleum, Inc.
 4924 SE 84th St.
 Newton, KS
 67114-8827

Cust I.D.....: Palo
 P.O. Number...: Norton "C" #3
 P.O. Date.....: 12/06/00

Due Date.: 01/05/01
 Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	141.00	SKS	6.3500	895.35	E
ozmix	94.00	SKS	3.2500	305.50	E
l	12.00	SKS	9.5000	114.00	E
oSeal	59.00	LBS	1.1500	67.85	E
handling	249.00	SKS	1.0500	261.45	E
leage (20)	20.00	MILE	9.9600	199.20	E
249 sks @\$.04 per sk per mi					
otary Plug	1.00	JOB	470.0000	470.00	E
leage pmp trk	20.00	MILE	3.0000	60.00	E
ooden 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 \$ 239.64
 ONLY if paid within 30 days from Invoice Date

Subtotal: 2396.35
 Tax.....: 0.00
 Payments: 0.00
 Total....: 2396.35

ALLIED CEMENTING CO., INC.

8330

Federal Tax I.D.# 48-0727860

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

SERVICE POINT:
Great Bend

DATE <u>12-6-00</u>	SEC. <u>24</u>	TWP. <u>17</u>	RANGE <u>26</u>	CALLED OUT <u>1:30 PM</u>	ON LOCATION <u>3:55 PM</u>	JOB START <u>6:00 PM</u>	JOB FINISH <u>8:45 PM</u>
LEASE <u>Newton "C"</u>		WELL # <u>3</u>	LOCATION <u>Utica east side, 5 south</u>		COUNTY <u>Neosho</u>	STATE <u>Kansas</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)							

CONTRACTOR Picknell
 TYPE OF JOB Rotary Plug
 HOLE SIZE 7 7/8 I.D. 4428'
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 x H DEPTH 1848'
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER Palomino Petroleum
 CEMENT
 AMOUNT ORDERED 2350x 60/40 67% gel
1/4# flo seal per ox.

EQUIPMENT

H.B.
 PUMP TRUCK CEMENTER J.P. Drailing
 # 120 HELPER Steve
 BULK TRUCK
 # 260 DRIVER Troy
 BULK TRUCK
 # _____ DRIVER _____

COMMON	<u>141</u>	@	<u>6.35</u>	<u>895.35</u>
POZMIX	<u>94</u>	@	<u>3.25</u>	<u>305.50</u>
GEL	<u>12</u>	@	<u>9.50</u>	<u>114.00</u>
CHLORIDE		@		
FLOSEAL-	<u>59 #</u>	@	<u>15.50</u>	<u>914.50</u>
		@	<u>1.15</u>	<u>67.85</u>
		@		
		@		
HANDLING	<u>249</u>	@	<u>1.05</u>	<u>261.45</u>
MILEAGE	<u>20</u>			<u>199.20</u>
TOTAL #				<u>2690.00</u>

REMARKS:

1st 1848' - 50sx disp. w/ mud
2nd 1200' - 80sx " "
3rd 600' - 30sx
4th 240' - 50sx
5th 40' - 10sx
15sx in rat hole.

SERVICE

DEPTH OF JOB	<u>1848'</u>		
PUMP TRUCK CHARGE			<u>470.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>20</u>	@	<u>3.00</u>
PLUG	<u>1-8 5/8 wooden</u>	@	<u>23.00</u>
		@	
		@	

TOTAL # 553.00

CHARGE TO: Palomino Petroleum
 STREET 4924 S.E. 84th ST
 CITY Newton STATE Ka ZIP 67114-8827

FLOAT EQUIPMENT

	@		
	@		
	@		
	@		
	@		

Thank you!