

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

CONFIDENTIAL

Operator: License # 30742
Name: Palomino Petroleum, Inc.
Address: 4924 SE 84th St. 100'
City/State/Zip: Newton, Kansas 67114-8827
Purchaser: NCRA
Operator Contact Person: Klee R. Watchous
Phone: (316) 799-1000
Contractor: Name: C & G Drilling, Inc.
License: 32701

Wellsite Geologist: Robert A. Schreiber
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: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back _____ Plug Back Total Depth _____
 Commingled _____ Docket No. _____
 Dual Completion _____ Docket No. _____
 Other (SWD or Enhr.?) _____ Docket No. _____

<u>6/7/04</u>	<u>6/17/04</u>	<u>7/7/04</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 079-20660 - 0000
County: Harvey
E of N/2 NW NE Sec. 10 Twp. 24 S. R. 2 East West
330 feet from S N (circle one) Line of Section
1880 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Busenitz #1 Well #: 1
Field Name: Annelly West

Producing Formation: Hunton
Elevation: Ground: 1429' Kelly Bushing: 1436'
Total Depth: 3410' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 219 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 219
feet depth to surface w/ 110 sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used _____

Location of fluid disposal if hauled offsite: KCC WICHITA
Operator Name: Palomino Petroleum, Inc.
Lease Name: Faith #1 License No.: 30742
Quarter SW Sec. 35 Twp. 24 S. R. 2 East West
County: Harvey Docket No.: E-25,123

RECEIVED
SEP - 1 2004

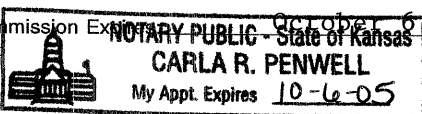
INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side 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: Klee R. Watchous
Title: President Date: 8/30/04

Subscribed and sworn to before me this 30th day of August,
2004.

Notary Public: Carla R. Penwell
Date Commission Expires: October 6, 2005



KCC Office Use ONLY

- Letter of Confidentiality Received
- If Denied, Yes Date: _____
- Wireline Log Received
- Geologist Report Received
- UIC Distribution

Operator Name: Palomino Petroleum, Inc. Lease Name: Busenitz #1 Well #: 1
 Sec. 10 Twp. 24 S. R. 2 East West County: Harvey

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 <i>(Attach Additional Sheets)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" 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	Topeka	1545	(- 109)
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Heebner	1901	(- 465)
List All E. Logs Run:		Iatan	2059	(- 623)
		LKC	2095	(- 659)
		BKC	2558	(-1122)
		Cherokee	2784	(-1348)
		Burgess Sd.	2802	(-1366)

Dual Induction Log, Dual Compensated Porosity Log, Sonic Cement Bond Log, Borehole Compensated Sonic Log, Microresistivity Log

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used Continued on next page.							
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"	20#	219	Class A	110	2% gel, 3% c.c., 1/4# flocc
Production	7 7/8"	5 1/2"	14#	3400	SMD	175	500 gal. mud flush & KCl water

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose: <input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives

RECEIVED

SEP 1 2004

KCC WICHITA

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth
4	3157-3163		

KCC

AUG 30 2004

CONFIDENTIAL

TUBING RECORD	Size 2 7/8"	Set At 3250'	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. 7/13/04	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil 100%	Bbls. 114	Gas Mcf	Water Bbls. 0% 0
			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, Submit ACO-18.) Other (Specify) _____

Continued

Log

Name	Top	Datum
Miss.	2819	(-1383)
Miss. Osage	2843	(-1407)
Kinderhook	3053	(-1617)
Hunton	3152	(-1716)
Maquoketa	3221	(-1785)
Viola	3236	(-1800)
Simpson	3294	(-1858)
Arbuckle	3332	(-1896)
LTD	3406	(-1970)

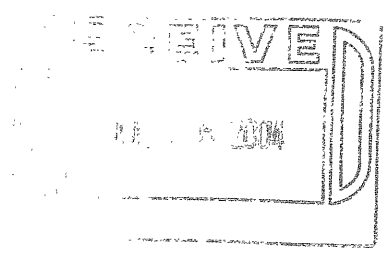
KCC
AUG 30 2004
CONFIDENTIAL

RECEIVED
SEP - 1 2004
KCC WICHITA

SWIFT SERVICES, INC.

PO BOX 466

NESS CITY, 67560-0466



Invoice

DATE	INVOICE #
6/17/04	6970

BILL TO
Palomino Petroleum Inc. 4924 S E 84th Street Newton, KS 67114-8827

KCC
AUG 30 2004
CONFIDENTIAL

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Operator	Job Purpose
Net 30	# 1	Busenite	Harvey	C & G Drilling	Oil	Development	Roger	Cement 5 1/2...
PRICE REFERE...	DESCRIPTION				QTY	UNIT PRICE	AMOUNT	
575D	Milage				150	2.50	375.00	
578D	Pump Service				1	1,200.00	1,200.00	
400-5	5 1/2" Guide Shoe				1	100.00	100.00T	
401-5	5 1/2" Insert Float with Auto Fill				1	125.00	125.00T	
402-5	5 1/2" Centralizers				8	44.00	352.00T	
403-5	5 1/2" Cement Basket				2	125.00	250.00T	
410-5	Top Plug				1	50.00	50.00T	
281	Mud Flush				500	0.60	300.00T	
221	Liquid KCL				2	19.00	38.00T	
330	Swift Multi-Density				175	10.00	1,750.00T	
276	Flocele				44	0.90	39.60T	
581D	Service Charge Cement				175	1.00	175.00	
583D	Drayage				1,306.13	0.85	1,110.21	
	Subtotal						5,864.81	
	Sales Tax					5.30%	159.24	
Thank you for your business.						Total	\$6,024.05	

RECEIVED
SEP - 1 2004
KCC WICHITA



CHARGE TO: *Palomino Rd.*

ADDRESS: _____

CITY, STATE, ZIP CODE: _____

RECEIVED
JUL 26 2004

RECEIVED
SEP - 1 2004
KCC WICHITA

TICKET No 6970

PAGE 1 OF 2

SERVICE LOCATIONS 1. <i>Highway 2</i>	WELL/PROJECT NO. <i>#1</i>	LEASE <i>Busenite</i>	COUNTY/PARISH <i>Harvey</i>	STATE <i>Ks.</i>	CITY	DATE <i>6-17-04</i>	OWNER <i>Same.</i>
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <i>C & G Drilling</i>		RIG NAME/NO.	SHIPPED VIA <i>CIT</i>	DELIVERED TO <i>Location</i>	ORDER NO.
3.	WELL TYPE <i>Oil</i>	WELL CATEGORY <i>Development</i>	JOB PURPOSE <i>Cement 5 1/2" Prod. Csg.</i>		WELL PERMIT NO.	WELL LOCATION	
4.	REFERRAL LOCATION	INVOICE INSTRUCTIONS					

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
<i>575</i>		<i>1</i>			<i>MILEAGE # 109</i>	<i>150</i>	<i>mi</i>			<i>2.50</i>	<i>375.00</i>
<i>578</i>		<i>1</i>			<i>Pump Service</i>	<i>1</i>	<i>ea</i>			<i>1200.00</i>	<i>1200.00</i>
<i>400</i>		<i>1</i>			<i>Guide Shoe</i>	<i>1</i>	<i>ea</i>	<i>5/8</i>	<i>1/4</i>	<i>100.00</i>	<i>100.00</i>
<i>401</i>		<i>1</i>			<i>Insert Float Valve</i>	<i>1</i>	<i>ea</i>	<i>"</i>		<i>125.00</i>	<i>125.00</i>
<i>402</i>		<i>1</i>			<i>Centralizers</i>	<i>8</i>	<i>ea</i>	<i>"</i>		<i>44.00</i>	<i>352.00</i>
<i>403</i>		<i>1</i>			<i>Baskets</i>	<i>2</i>	<i>ea</i>	<i>"</i>		<i>125.00</i>	<i>250.00</i>
<i>40</i>		<i>1</i>			<i>Top Plug</i>	<i>1</i>	<i>ea</i>	<i>"</i>		<i>50.00</i>	<i>50.00</i>
<i>281</i>		<i>1</i>			<i>Mud Flush</i>	<i>500</i>	<i>gal</i>			<i>.60</i>	<i>300.00</i>
<i>221</i>		<i>1</i>			<i>KCL</i>	<i>2</i>	<i>gal</i>			<i>19.00</i>	<i>38.00</i>
					<i>See Continuation</i>						
											<i>3074.00</i>

LEGAL TERMS: Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

DATE SIGNED _____ TIME SIGNED _____ A.M. P.M.

REMIT PAYMENT TO:

SWIFT SERVICES, INC.
P.O. BOX 466
NESS CITY, KS 67560
785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				<i>5,864.00</i>
WE UNDERSTOOD AND MET YOUR NEEDS?				
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX
ARE YOU SATISFIED WITH OUR SERVICE? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO				<i>159.24</i>
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL
				<i>6024.05</i>

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.

SWIFT OPERATOR *Roger B. Lybster*

APPROVAL *Rob Schroeder*

Thank You!



PO Box 466
Ness City, KS 67560
Off: 785-798-2300

TICKET CONTINUATION

TICKET No. **6970**

CUSTOMER *Palomino Pet.* WELL *Busewitz #1* DATE *6-17-04* PAGE *7* OF *12*

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DE								
<i>330</i>		<i>1</i>				<i>Sm OC</i>	<i>175</i>	<i>SK</i>			<i>10.00</i>	<i>1750.00</i>
<i>276</i>		<i>1</i>				<i>Floceb</i>	<i>44</i>	<i>#</i>			<i>90</i>	<i>39.60</i>
<i>581</i>		<i>1</i>				SERVICE CHARGE					<i>1.00</i>	<i>175.00</i>
<i>583</i>		<i>1</i>				MILEAGE CHARGE					<i>55</i>	<i>1110.21</i>
						TOTAL WEIGHT						
						LOADED MILES						
						TON MILES						

RECEIVED
SEP - 1 2004
KCC WICHITA

CONTINUATION TOTAL **3074.21**

JOB LOG

SWIFT Services, Inc.

DATE 6-17-04 | PAGE NO. 1

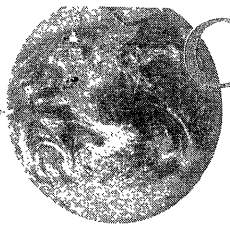
CUSTOMER Palomine Petr. WELL NO. #1 LEASE Busenitz JOB TYPE Long String TICKET NO. 6970

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL)(GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	11:45							on loc. Rig logging
	12:45							Start in hole with 5 1/2" Csg. Guide Shoe Insert Float Valve Cent. on Joint #2, 3, 6, 8, 11, 16, 20, 26 Baskets on #4, #9
	14:10							Drop Ball
	14:15							Csg. in Circulate
	14:45		12					Pump 500gal mud flush
			20					Pump 20 ^{SS} 2% HCL Flush
			64					MIX 175 sls smoc 1/4" Florel Finish mixing wash out pump + line
	15:10							Displ. top piddig
	15:25						1400	Plug down 7400psi holding Release press. Float hold wash and rock up track JOS Complete

RECEIVED

SEP - 1 2004

KCC WICHITA



CONSOLIDATED

OIL WELL SERVICES, INC.

AN INFINITY COMPANY

211 W. 14th P.O. Box 584 Cherokee, KS 66720 • 620/431-9210 • 1-800/467-8676

06/17/04

00190832

S
O
L
D

T
O

PALOMINO PETROLEUM, INC.
4924 SE 84TH STREET
NEWTON KS 67114-8827

KCC
AUG 30 2004
CONFIDENTIAL

TERMS: Net 30 Days

A Finance Charge computed at 1% per month (annual percentage rate of 12%) will be added to balances over 30 days.

PLEASE REFER TO THIS ACCOUNT NUMBER WHEN MAKING INQUIRIES

ACCOUNT NO.	P.O. NO.	LOCATION	LEASE AND WELL NO.	DATE OF JOB	JOB TICKET NO.		
223	203	35	BUSENITT 1	05/08/2004	5551		
ITEM NUMBER			DESCRIPTION	UNITS	UNIT PRICE	UNIT MEAS	EXTENDED PRICE
54019			CEMENT PUMP (SURFACE PTEE)	1.0000	525.0000	EA	525.00
5406			MILEAGE CHARGE	30.0000	2.2500	EA	67.50
1104			CLASS "A" CEMENT	110.0000	8.5000	SK	935.00
1102			CALCIUM CHLORIDE (50#)	6.0000	34.0000	SK	204.00
1118			PREMIUM GEL	2.0000	11.8000	SK	23.60
1107			FLD-SEAL (25#)	1.0000	37.7500	SK	37.75
5407			BULK CEMENT DELIVERY/MIN BULK DEL	1.0000	124.8000	EA	124.80
		KCC WICHITA					
		RECEIVED					
		SEP - 1 2004					
GROSS INVOICE		TAX	REMITTANCE COPY		PLEASE PAY		
1717.53		75.62			1793.15		

CONSOLIDATED OIL WELL SERVICES

PO Box 103
Eureka, Kansas 67045

Cementing Ticket
and Invoice Number

No. 5551

Date 6-8-04	Customer Order No. 6285	Sect. 10	Twp. 24	Range 2E	Truck Called Out	On Location	Job Began	Job Completed
Owner Palomino Petroleum, Inc.		Contractor CIG Drilling			Charge To Palomino Petroleum, Inc.			
Mailing Address 4924 SE 84th St.		City Newton			State Ks. 67114-8827			
Well No. & Form Busenitz #1		Place			County Harvey		State Kansas	
Depth of Well 225'	Depth of Job 222'	Casing (New) Used	Size 8 5/8"	Weight 20 lb.	Size of Hole Amt. and Kind of Cement 12 1/4" 110 sks.	Cement Left in casing by	Request Necessity	20' feet
Kind of Job Surface Pipe					Drillpipe	(Rotary)	Truck No. 446	

Price Reference No. 54015
Price of Job 525.00

Second Stage
Mileage 307 67.50

Other Charges

Total Charges 592.50

Remarks: Safety Meeting: Rig up to 8 5/8" casing, break circulation with 25 Bbls water. Mixed 110 sks. Regular cement w/ chemicals. Displace cement with 13 Bbls. water. shut down - close casing in. Good cement returns to surface with 4 Bbls. slurry

Job complete - Teardown

Cementor: Brad Buttrick
Helper: Rick - Ed
District: Eureka
State: Kansas

called by CIG Drilling
Agent of contractor or operator

"Thank you"

Sales Ticket for Materials Only

Quantity Sacks	BRAND AND TYPE	PRICE	TOTAL
110 SKS	Regular - class "A" cement # 1104	8.50	935.00
6 SKS	CALZ 3% # 1102	34.00	204.00
2 SKS	Gel 2% # 1118	11.80	23.60
1 SKS	Flocite 1/4 lb. 1 1/2 SK # 1107	37.75	37.75
Plugs	* 5407A 5.2 Ton Handling & Dumping	Mileage 30 1.80	124.80
Delivered by Truck No. 439		Sub Total	1917.65
Delivered from Eureka		Discount	
Signature of operator Brad Buttrick		Sales Tax	75.62
		Total	1993.27

RECEIVED
SEP - 1 2004
KCC WICHITA

190832