

CONFIDENTIAL

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. 10' N & 40'
City/State/Zip: Newton, Kansas 67114-8827
Purchaser: NCRA
Operator Contact Person: Klee R. Watchous
Phone: (316) 799-1000
Contractor: Name: Pickrell Drilling Company, Inc.
License: 5123
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. _____

3/10/04 3/20/04 3/20/04
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 135-24259
County: Ness
E of C S/2 SW Sec. 2 Twp. 18 S. R. 24 East West
670 feet from S / N (circle one) Line of Section
1360 feet from E / W (circle one) Line of Section

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

Field Name: Wildcat
Producing Formation: Cherokee Sand
Elevation: Ground: 2366' Kelly Bushing: 2371'
Total Depth: 4475 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at 218' Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set 1617' Feet

If Alternate II completion, cement circulated from 1617'
feet depth to surface w/ 165 sx cmt.
ALT II WITH 2-9-07

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: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

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: June 24, 2004

Subscribed and sworn to before me this 24th day of June,
20 04.

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

NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
My Appt. Expires 10-6-05

ORIGINAL

Side Two

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Operator Name: Palomino Petroleum, Inc. Lease Name: Melody Well #: 1
 Sec. 2 Twp. 18 S. R. 24 East West County: Ness

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.

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Drill Stem Tests Taken Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No
 (Submit Copy)

List All E. Logs Run:

Dual Receiver Cement Bond Log, Sonic Log, Dual Induction Log, Micro Log, Compensated Density/ Neutron Log

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Anhy.	1658	(+713)
Base Anhy.	1691	(+680)
Topeka	3451	(-1080)
Heebner	3748	(-1377)
LKC	3792	(-1421)
BKC	4085	(-1714)
Marmaton	4127	(-1756)
Pawnee	4197	(-1826)

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"	23#	218'	70-30 poz.	160	2% gel. 3% c.c.
production		5 1/2"	14#	4441'	SMD cement	175	Flocele, CFR

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input checked="" type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone	4362-4364, 4370-4375	Standard	50	Halad - 1

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	4362'-4364'	RECEIVED JUN 28 2004 KCC WICHITA	350 gal. 15% MCA acid, 2% solvent, 10 gal. liquid KCL, 7 gal. Musal
3	4370'-4375'		
3	4367'-4376'		

TUBING RECORD		Size	Set At	Packer At	Liner Run		
		2 7/8"	4279'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Date of First, Resumerd Production, SWD or Enhr. April 22, 2004			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	Bbls.	Gas	Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	100%	16			0%	0	

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled

Production Interval Other (Specify) _____

Continued from previous page.

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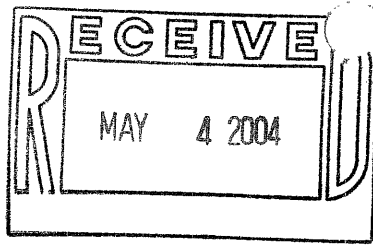
<u>Name</u>	<u>Top</u>	<u>Datum</u>
Ft. Scott	4283	(-1912)
Cherokee Sh.	4306	(-1935)
Cherokee Sd.	4362	(-1991)
Miss.	4452	(-2081)
LTD	4474	(-2103)

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SWIFT SERVICES, INC.

PO BOX 466

NESS CITY, 67560-0466



Invoice

DATE	INVOICE #
4/1/04	6666

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

KCC
JUN 24 2004
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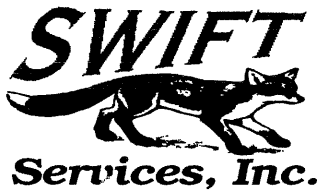
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TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Operator	Job Purpose
Net 30	# 1	Melody	Ness	DS&W	Oil	Development	Wayne	Squeeze perms

PRICE REFERENCE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
575D	Milage	5	2.50	12.50
578D	Pump Service	1	1,200.00	1,200.00
325	Cement	50	7.25	362.50T
286	Halad-1	28	5.25	147.00T
581D	Service Charge Cement	50	1.00	50.00
582D	Minimum Drayage Charge	1	100.00	100.00
	Subtotal			1,872.00
	Sales Tax		5.30%	27.00

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Thank you for your business.	Total	\$1,899.00
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CHARGE TO: PALOMINO PETROLEUM
ADDRESS
CITY, STATE, ZIP CODE

TICKET No 6666

PAGE 1	OF 1
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SERVICE LOCATIONS 1. NESS CITY, KS	WELL/PROJECT NO. # 1	LEASE MELODY	COUNTY/PARISH NESS	STATE KS	CITY	DATE 4-1-04	OWNER SAME
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR DS-W	RIG NAME/NO.	SHIPPED VIA CT	DELIVERED TO LOCATION	ORDER NO.	
3.	WELL TYPE OIL	WELL CATEGORY DEVELOPMENT	JOB PURPOSE SQUEEZE PORES	WELL PERMIT NO.	WELL LOCATION NESS CITY, KS - 3N, 2W, N3		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF								
575	CONFIDENTIAL	1			MILEAGE # 104					250	12,50	
578		1			PUMP SERVICE			4362	FT	1200/00	1200/00	
325		1			STANDARD COMWT			50	SKS	7,25	362,50	
286		1			HAND-1			28	URS	5,25	147,00	
581		1			SERVICE CHARGE COMWT			50	SKS	1,00	50,00	
582		1			MINIMUM DRAINAGE CHARGE			4728	URS	11,82	100,00	100,00

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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

X

DATE SIGNED 4-1-04	TIME SIGNED 0830	<input checked="" type="checkbox"/> A.M. <input type="checkbox"/> 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	1872,00
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?					
WE UNDERSTOOD AND MET YOUR NEEDS?				TAX	27,00
OUR SERVICE WAS PERFORMED WITHOUT DELAY?					
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TOTAL	1899,00
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO					
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					

JOB LOG

SWIFT Services, Inc.

DATE **4-1-04** PAGE NO. **1**

CUSTOMER **PALOMAR PERFORM** WELL NO. **41** LEASE **MELODY** JOB TYPE **SQUEEZE PERFS** TICKET NO. **6666**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL)(GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0815							ON LOCATION
								CONFIDENTIAL
								2 7/8 x 5 1/2 PVD = 4279' PERFS = 4362-64 4370-75
	0840		22		✓		500	PSE ANNULUS - HEAD SHUT IN
	0845	1 1/4	8		✓	1250		2 1/2 RATE
	0900	1 1/2	10.5		✓	950	AVG	MAX COUNT - 50 SKS STAMPS (1 ST 30 SKS 170 HAGA-1)
	0908							WASH OUT PUMP - LAGER
	0910	1 3/4	0		✓	0		DISPLACE COUNT
		1 3/4	2		✓	750		"
		1 1/2	18		✓	1300		"
		1 1/4	22		✓	1850		"
		1	24		✓	2000		"
		3/4	24.8		✓	2000		" TUBING CLEAN
	0927	1/2	25.7		✓	2000		" SHUT DOWN
	0930					1800		SHUT IN - WASH UP TRUCK
	0940					1400		OPW TUBING
	0940		25.7		✓	2000		PSE-UP
	1030				✓	2000		RELEASE PSE - HEAD
	1033	2 1/2	35		✓		500	REVERSE CLEAN
	1055							ALL 5 STS SET PRL - STROD OUT HEAD
	1120				✓		500	PSE UP - SHUT IN (43 SKS OUT IN PERFS)
	1130							JOB COMPLETE

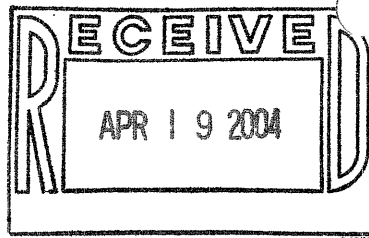
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THANK YOU
WARR, DUSTY, SHAW

SWIFT SERVICES, INC.

PO BOX 466

NESS CITY, 67560-0466



Invoice

DATE	INVOICE #
3/31/04	6664

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

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TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Operator	Job Purpose
Net 30	# 1	Melody	Ness	DS&W	Oil	Development	Wayne	Acidize forma...

PRICE REFERE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
500D	Milage	5	2.50	12.50
501D	Acid Pump Charge	1	550.00	550.00
303 - 15%	MCA Acid	350	1.05	367.50
235	INH. 1	1	36.00	36.00
232	Musal	7	12.00	84.00
221	Liquid KCL	10	19.00	190.00
	Subtotal			1,240.00
	Sales Tax		5.30%	0.00

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Thank you for your business.	Total	\$1,240.00
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CHARGE TO: PALOMINO PENOLEUM
ADDRESS
CITY, STATE, ZIP CODE

TICKET No 6664

PAGE 1 OF 1

SERVICE LOCATIONS 1. NESS CITY, KS	WELL/PROJECT NO. # 1	LEASE MELODY	COUNTY/PARISH NESS	STATE KS	CITY	DATE 3-31-04	OWNER SAME
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR DS-W	RIG NAME/NO.	SHIPPED VIA CT	DELIVERED TO LOCATION	ORDER NO.	
3.	WELL TYPE OIL	WELL CATEGORY DEVELOPMENT	JOB PURPOSE ACIDIZE FORMATION	WELL PERMIT NO.	WELL LOCATION NESS CITY, KS 2N, 2W, 1W, 14 E, N3		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
500		1			MILEAGE # 104	5		MI		2.50	12.50
501		1			PUMP SERVICE	1		JOB		550.00	550.00
303		1			MCA ACID	350		Gal	15%	1.05	367.50
235		1			DJ HSB-1	1		Gal		36.00	36.00
232		1			MUSAL	7		Gal		12.00	84.00
221		1			REQUIRED RCL (FOR FLUSH)	10		Gal		19.00	190.00

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

X

DATE SIGNED 3-31-04	TIME SIGNED 0900	<input checked="" type="checkbox"/> A.M. <input type="checkbox"/> 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	1240.00
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?					
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 type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	1240.00
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					

JOB LOG

SWIFT Services, Inc.

DATE 3-31-04 PAGE NO. 1

CUSTOMER PALOMBO PETROLEUM

WELL NO. #1

LEASE MELODY

JOB TYPE ACIDIZE FORMATION

TICKET NO. 6664

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL)(GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0845							ON LOCATION CONFIDENTIAL 5 1/2 - 14 # PERFS 4362-64 4370-75
	0900	4 1/2	8.3		✓		0	PUMP 350 GAL 15% MCA ACID w/ADDONERS
	0902	4 1/2			✓			PUMP KCL WATER - LOAD HOLE
	0922	2	107		✓		200	LOADED - STAGE
	0923	1/2	0		✓		500	PSE-UP "
	0929	1/2	.4		✓		600	" "
	0942	1/2	1.1		✓		750	" "
	0950	1/2	2		✓		1000	" "
	0958	1/2	3		✓		1000	" "
	1008	1/2	4 1/2		✓		1000	" "
	1014	1/4	5 1/2		✓		1175	TREAT
		1/4	6 1/2		✓		1200	"
		1/4	7 1/2		✓		1200	"
		1/4	7 3/4		✓		1100	" PSE DROP
		1/3	8		✓		950	"
		1/3	8 1/2		✓		950	" ACID CLEAR
		1/3	9 1/2		✓		850	"
	1034	1/3	10 1/2		✓		850	" 2 BBL OVERFLUSH - SHUT DOWN
							850	ISOP LOAD = 117 1/2 BBL
							475	5 MW
							300	10 MW
							100	15 MW
							VAR	20 MW
	1100							JOB COMPLETE

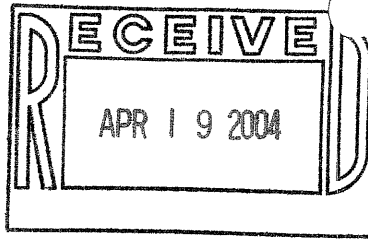
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THANK YOU
WAWC, DUSTY

SWIFT SERVICES, INC.

PO BOX 466

NESS CITY, 67560-0466



Invoice

DATE	INVOICE #
3/26/04	6590

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

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TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Operator	Job Purpose
Net 30	# 1	Melody	Ness	DS&W	Oil	Development	Roger	Cement thru ...

PRICE REFERE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
100	Milage	5	1.00	5.00T
105	Port Collar Opening Tool	1	400.00	400.00T
	Subtotal			405.00
	Sales Tax		5.30%	21.47

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Thank you for your business.

Total

\$426.47



CHARGE TO: Palomino Petroleum
 ADDRESS _____
 CITY, STATE, ZIP CODE _____

TICKET No. **6590**

PAGE 1 OF 1

SERVICE LOCATIONS 1. <u>Hays, KS</u>	WELL/PROJECT NO. <u>#1</u>	LEASE <u>Melody</u>	COUNTY/PARISH <u>Ness</u>	STATE <u>Ks</u>	CITY	DATE <u>3-26-04</u>	OWNER <u>Same</u>
	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <u>D. S. & W.</u>	RIG NAME/NO.	SHIPPED VIA <u>CIT</u>	DELIVERED TO <u>Loc.</u>	ORDER NO.	
2.	WELL TYPE <u>Oil</u>	WELL CATEGORY <u>Development</u>	JOB PURPOSE <u>Cement thru Port Collar</u>	WELL PERMIT NO.	WELL LOCATION		
3.	REFERRAL LOCATION	INVOICE INSTRUCTIONS					

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
<u>100</u>		<u>1</u>			<u>MILEAGE # 02</u>	<u>5</u>	<u>mi</u>			<u>1.00</u>	<u>5.00</u>
<u>105</u>		<u>1</u>			<u>Port Collar Opening Tool</u>	<u>1</u>	<u>ea</u>			<u>400.00</u>	<u>400.00</u>

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 KCC WICHITA

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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

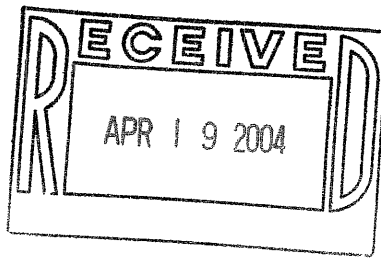
SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL	AMOUNT
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				<u>405</u>	<u>.00</u>
WE UNDERSTOOD AND MET YOUR NEEDS?					
OUR SERVICE WAS PERFORMED WITHOUT DELAY?					
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?					
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO					
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					
				TAX	<u>21.47</u>
				TOTAL	<u>426.47</u>

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES: The customer hereby acknowledges receipt of the materials and services listed on this ticket.
 SWIFT OPERATOR Ray B. Felt APPROVAL _____
 Thank You!

SWIFT SERVICES, INC.

PO BOX 466

NESS CITY, 67560-0466



Invoice

DATE	INVOICE #
3/26/04	6591

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

KCC

JUN 24 2004

CONFIDENTIAL

CONFIDENTIAL

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Operator	Job Purpose
Net 30	# 1	Melody	Ness	DS&W	Oil	Development	Roger	Cmt Port Col...

PRICE REFERE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
575D	Milage	5	2.50	12.50
578D	Pump Service	1	1,200.00	1,200.00
581D	Service Charge Cement	175	1.00	175.00
582D	Minimum Drayage Charge	1	100.00	100.00
330	Swift Multi-Density	175	9.75	1,706.25T
276	Flocele	45	0.90	40.50T
	Subtotal			3,234.25
	Sales Tax		5.30%	92.58

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KCC WICHITA

Thank you for your business.

Total

\$3,326.83



CHARGE TO: Palomisa Petroleum
 ADDRESS:
 CITY, STATE, ZIP CODE:

TICKET No. 6591

PAGE 1 OF 1

1. SERVICE LOCATIONS <u>Hays, KS</u>	WELL/PROJECT NO. <u>#1</u>	LEASE <u>Meldoy</u>	COUNTY/PARISH <u>Ness</u>	STATE <u>Ks.</u>	CITY	DATE <u>3/26/04</u>	OWNER <u>Same</u>
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <u>D.S. + W.</u>	RIG NAME/NO.	SHIPPED VIA <u>BIT</u>	DELIVERED TO <u>Location</u>	ORDER NO.	
3.	WELL TYPE <u>Oil</u>	WELL CATEGORY <u>Development</u>	JOB PURPOSE <u>Cond. Port Collar</u>	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								
575		1			MILEAGE # 103	5	mil			2.50	12	50
578		1			Pump Service	1	ea			1200.00	1200	00
581		1			Service Charge	175	sls			1.00	175	00
582		1			Drayage						100	00
330		1			SMDC	175	sls			9.75	1706	75
876		1			Flocele	45	#			90	40	50

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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

Paul Shultz
 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	3234	25
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?						
WE UNDERSTOOD AND MET YOUR NEEDS?						
OUR SERVICE WAS PERFORMED WITHOUT DELAY?						
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX	92	58
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	3326	83
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND						

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

SWIFT OPERATOR Roger B. Fyfe APPROVAL _____

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 3/26/04 PAGE NO. 1

CUSTOMER

Palomino Pet.

WELL NO. #1

LEASE

Melody

JOB TYPE

Cont. Port Collar

TICKET NO.

6591

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL)(GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	10:00							on loc. testing tubing
	11:20							Start in Hole with P.C. opening tool
	13:15							Locate Port collar @ 1617'
	13:30							Press. test to 1,000 psi held open P.C.
		3				600		Log Rate 3 ^{BPM} 30cpst Blowdown Am.
	13:40		80					Start mixing 175sk smdc Finished mixing Displ. 8.5 ^{cu} Circulated 15sk to pit Close Port Collar
						1000		Press. test to 1,000 psi Held Run 3 Joints Reverse out short way Pumped 15 ^{sk} Hole clean wrench and rack up track Jobs Complete

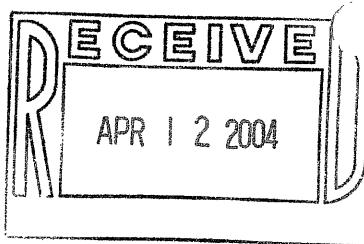
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[Handwritten signature]

SWIFT SERVICES, INC.

PO BOX 466

NESS CITY, 67560-0466



Invoice

DATE	INVOICE #
3/20/04	6581

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

KCC
JUN 28 2004
CONFIDENTIAL

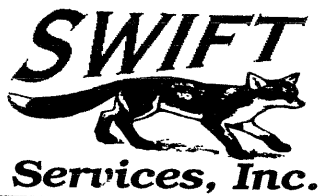
CONFIDENTIAL

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Operator	Job Purpose
Net 30	# 1	Melody	Ness	Pickrell Drig	Oil	Development	Roger	Cmt 5 1/2" pr...

PRICE REFERE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
575D	Milage	5	2.50	12.50
578D	Pump Service	1		
400-5	5 1/2" Guide Shoe	1	1,200.00	1,200.00
401-5	5 1/2" Insert Float with Auto Fill	1	100.00	100.00T
410-5	Top Plug	1	125.00	125.00T
402-5	5 1/2" Centralizers	1	50.00	50.00T
403-5	5 1/2" Cement Basket	9	44.00	396.00T
404-5	5 1/2" Port Collar	3	125.00	375.00T
193	Rotating Head	1	1,500.00	1,500.00T
281	Mud Flush	1	150.00	150.00T
221	Liquid KCL	500	0.60	300.00T
330	Swift Multi-Density	2	19.00	38.00T
276	Flocele	175	9.75	1,706.25T
285	CFR	43	0.90	38.70T
581D	Service Charge Cement	82	2.75	225.50T
582D	Minimum Drayage Charge	175	1.00	175.00
		1	100.00	100.00
	Subtotal			6,491.95
	Sales Tax		5.30%	265.24

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Thank you for your business.	Total	\$6,757.19
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CHARGE TO: Palomino Petroleum
 ADDRESS _____
 CITY, STATE, ZIP CODE _____

TICKET No 6581

PAGE 1 OF 2

SERVICE LOCATIONS
 1. Hwy 16 WELL/PROJECT NO. #1 LEASE Melody COUNTY/PARISH Ness STATE Ks. CITY _____ DATE 3-20-04 OWNER Same
 2. TICKET TYPE SERVICE SALES CONTRACTOR Pickrell Drlg. RIG NAME/NO. _____ SHIPPED VIA GT DELIVERED TO Location ORDER NO. _____
 3. WELL TYPE Oil WELL CATEGORY Development JOB PURPOSE Cont. 5 1/2" Prod. Csg. WELL PERMIT NO. _____ WELL LOCATION _____
 4. REFERRAL LOCATION _____ INVOICE INSTRUCTIONS Port Collar @ 1617'

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.	U/M	QTY.	U/M	UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE #103	5	mil			2 50	12 50
578		1			Pump Service	1	ea			1,200 00	1,200 00
400		1			Guide Shoe	1	ea	5 1/2	in	100 00	100 00
401		1			Insert Float	1	ea	"		125 00	125 00
410		1			Top Plug	1	ea	"		50 00	50 00
402		1			Centralizers	9	ea	"		44 00	396 00
403		1			Baskets	3	ea	"		125 00	375 00
404		1			Port Collar	1	ea	"		1,500 00	1,500 00
193		1			Rotating head	1	ea	"		150 00	150 00
281		1			Mud Flush	500	gal			60	300 00
221		1			KCL	2	gal			19 00	38 00
See Continuation											2245 45

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

x [Signature]
 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?				6,491 95
WE UNDERSTOOD AND MET YOUR NEEDS?				
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX 265 24
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL 6757 19
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				

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

SWIFT OPERATOR [Signature] APPROVAL _____

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 3/20/04 PAGE NO. 1

CUSTOMER Palomino Petroleum WELL NO. #1 LEASE Melody JOB TYPE Long String TICKET NO. 6581

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL/GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0300							on loc.
	0415							Start in hole with 5 1/2" Csg. Guide Shoe Insert Float Valve Cent. on #1, #2, #3, #6, #11, #16, #21, #25, #66 Basket #2, #4, #67 Part Collar #67 @ 1617'
	0600							Drop Ball
	0615							Circulate & Rotate Csg.
	0645							Plug Rest hole
	0650		20					Pump 20 ^{gal} RCL Flush
			12					500gal Mud Flush
	0655		28					mex 75skb SMO 12.5 #/gal
			28					mex 100skb SMO 14 #/gal
								Finished mixing wash out Pump & line.
	0715							Displace Top plug
	0730		107.3					Plug down 1200psi hold in Release Press. Float held wash and rack up truck Job Complete

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Thank you
Roger