

**WELL COMPLETION FORM**  
**WELL HISTORY - DESCRIPTION OF WELL & LEASE**

Operator: License # 30742  
Name: Palomino Petroleum, Inc.  
Address: 4924 SE 84th St.  
City/State/Zip: Newton, Kansas 67114-8827  
Purchaser: NCRA  
Operator Contact Person: Klee R. Watchous  
Phone: (316) 799-1000  
Contractor: Name: Warren Drilling, L.L.C.  
License: 33724  
Wellsite Geologist: Jon R. (Zeb) Stewart

Designate Type of Completion:  
 New Well     Re-Entry     Workover  
 Oil     SWD     SLOW     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>7/13/06</u>	<u>7/24/06</u>	<u>7/24/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24516-0000  
County: Ness  
   E/2    E/2 SE Sec. 30 Twp. 17 S. R. 23  East  West  
1350 feet from (S) N (circle one) Line of Section  
125 feet from (E) W (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE (SE) NW SW  
Lease Name: Pfeifer-Klitzke Well #: 1  
Field Name: None (Wildcat)  
Producing Formation: Cherokee Sand  
Elevation: Ground: 2440 Kelly Bushing: 2450  
Total Depth: 4567 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 224 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set 1734 Feet  
If Alternate II completion, cement circulated from 1734  
feet depth to surface w/ 155 sx cmt.  
*ALT II WITHIN 4-11-07*

**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: August 30, 2006

Subscribed and sworn to before me this 30th day of August,  
20 06.

Notary Public: Carla R. Penwell  
Carla R. Penwell

**NOTARY PUBLIC - State of Kansas**  
Date Commission Expires October 6, 2009  
**CARLA R. PENWELL**  
My Appt. Expires 10-6-09

**KCC Office Use ONLY**

Letter of Confidentiality Received  
If Denied, Yes  Date: \_\_\_\_\_

Wireline Log Received **RECEIVED**

Geologist Report Received **AUG 31 2006**

UIC Distribution **KCC WICHITA**

Operator Name: Palomino Petroleum, Inc. Lease Name: Pfeifer-Klitzke Well #: 1  
 Sec. 30 Twp. 17 S. R. 23  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.

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 Induction, Micro, Sonic, Compensated Density/Neutron**

Log Formation (Top), Depth and Datum  Sample

Name	Top	Datum
Anhy.	1744	(+ 706)
Base Anhy.	1775	(+ 675)
Topeka	3545	(-1095)
Heebner	3836	(-1386)
Toronto	3853	(-1403)
LKC	3876	(-1426)
BKC	4197	(-1747)
Marmaton	4236	(-1786)

CASING RECORD <input checked="" type="checkbox"/> New <input 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	12 1/4"	8 5/8"	20#	224'	Common	160	2% gel, 3% c.c.
Production	7 7/8"	5 1/2"	14#	4556'	SMD	155	500 gal. mud flush w/add.
							20 bbls. KCL water

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

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
3	4462-4472		

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2 7/8"	4519'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
8/16/06		<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
	96% 56		4% 2		

Disposition of Gas  Vented  Sold  Used on Lease  Open Hole  Perf.  Dually Comp.  Commingled  Other (Specify) \_\_\_\_\_

METHOD OF COMPLETION

Vented  Sold  Used on Lease  
*(If vented, Submit ACO-18.)*

Open Hole  Perf.  Dually Comp.  Commingled  
 Other (Specify) \_\_\_\_\_

**RECEIVED**

**AUG 31 2006**

**KCC WICHITA**

**LOGS**

Pawnee	4280	(-1830)
Ft. Scott	4369	(-1919)
Cherokee Sh.	4389	(-1939)
Cherokee Sd.	4451	(-2001)
Miss Chert	4510	(-2060)
LTD	4567	(-2117)

RECEIVED  
AUG 31 2006  
KCC WICHITA

# Ricketts Testing, Inc.



Company PALOMINO PETROLEUM, INC. Lease & Well No. PFEIFER-KLITZKE #1  
 Elevation 2450 K.B. Formation CHEROKEE SAND Ticket No. 2533  
 Date 7-22-06 Sec. 30 Twp. 17S Range 23W County NESS State KS  
 Test Approved by ZEB STEWART Ricketts Representative JIM RICKETTS

Formation Test No. 1 Interval Tested from 4403 ft. to 4460 ft. Total Depth 4460 ft.  
 Packer Depth 4403 ft. Size 6 3/4 in. Packer Depth \_\_\_\_\_ ft. Size \_\_\_\_\_ in.  
 Packer Depth 4398 ft. Size 6 3/4 in. Packer Depth \_\_\_\_\_ ft. Size \_\_\_\_\_ in.

Top Recorder Depth (Inside) 4408 ft. Recorder Number W1022 Cap. 10000  
 Bottom Recorder Depth (Outside) 4411 ft. Recorder Number 13564 Cap. 4475  
 Below Straddle Recorder Depth \_\_\_\_\_ ft. Recorder Number \_\_\_\_\_ Cap. \_\_\_\_\_

Drilling Contractor WARREN DRILLING RIG #8 Drill Collar Length 144 I.D. 2.25 in.  
 Mud Type CHEMICAL Viscosity 38 Weight Pipe Length \_\_\_\_\_ I.D. \_\_\_\_\_ in.  
 Weight 9.4 Water Loss 13.6 cc. Drill Pipe Length 4232 I.D. 3.25 in.  
 Chlorides 5000 P.P.M. Test Tool Length 27 ft. Tool Size 5 1/2 in.  
 Jars: Make STERLING Serial Number 808 Anchor Length 57 ft. Size 5 1/2 in.  
 Did Well Flow? NO Reversed Out NO Surface Choke Size 3/4 in. Bottom Choke Size 3/4 in.  
 Gravity Oil \_\_\_\_\_ Main Hole Size 7 7/8 in. Tool Joint Size 4 1/2 XH in.

Blow: WEAK BLOW BUILDING TO 7" IN WATER INITIAL FLOW PERIOD. WEAK BLOW BUILDING TO A STRONG BLOW IN 45 MINUTES FINAL FLOW PERIOD.

Recovered 60 ft. of GAS IN PIPE.  
 Recovered 10 ft. of FREE OIL.  
 Recovered 30 ft. of OIL & MUD. 50% OIL 50% MUD  
 Recovered 62 ft. of OIL, MUD & GAS. 33% OIL 45% MUD 22% GAS  
 Recovered 144 ft. of HEAVY OIL, SLIGHTLY WATER CUT MUD. 19% GAS 48% MUD 30% OIL 3% WATER

Remarks: \_\_\_\_\_

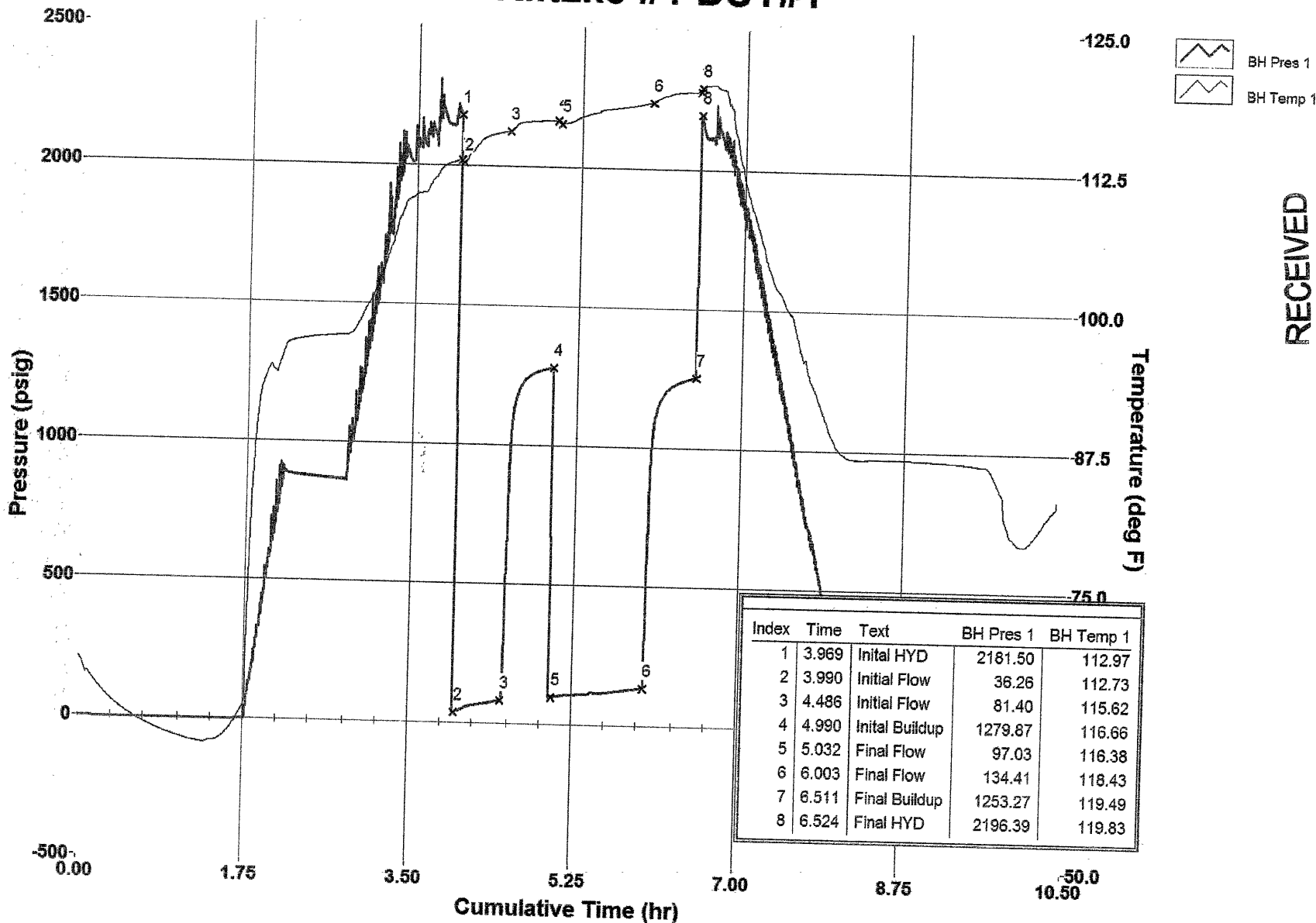
Time Set Packer (s) 9:15 A.M. Time Started Off Bottom 11:45 A.M. Maximum Temperature 119°  
 Initial Hydrostatic Pressure .....(A) 2181 P.S.I.  
 Initial Flow Period .....Minutes 30 (B) 36 P.S.I. to  
 (C) 81 P.S.I.  
 Initial Closed In Period .....Minutes 30 (D) 1279 P.S.I.  
 Final Flow Period .....Minutes 60 (E) 97 P.S.I. to  
 (F) 134 P.S.I.  
 Final Closed In Period .....Minutes 30 (G) 1253 P.S.I.  
 Final Hydrostatic Pressure .....(H) 2196 P.S.I.

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**AUG 31 2006**  
**KCC WICHITA**

Company Name Palomino Petroleum Inc.  
 Well Name Pfeifer-Klitzke #1 DST#1  
 Type of Test DST#1 4403 to 4460'  
 Date(s) of Test 7-22-2006



# Pfeifer-Klitzke #1 DST#1



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 AUG 31 2006  
 KCC WICHITA

# Ricketts Testing, Inc.



Company PALOMINO PETROLEUM, INC. Lease & Well No. PFEIFER-KLITZKE #1  
 Elevation 2450 K.B. Formation CHEROKEE SAND Ticket No. 2534  
 Date 7-23-06 Sec. 30 Twp. 17S Range 23W County NESS State KS  
 Test Approved by ZEB STEWART Ricketts Representative JIM RICKETTS

Formation Test No. 2 Interval Tested from 4403 ft. to 4470 ft. Total Depth 4470 ft.  
 Packer Depth 4403 ft. Size 6 3/4 in. Packer Depth \_\_\_\_\_ ft. Size \_\_\_\_\_ in.  
 Packer Depth 4398 ft. Size 6 3/4 in. Packer Depth \_\_\_\_\_ ft. Size \_\_\_\_\_ in.

Top Recorder Depth (Inside) 4408 ft. Recorder Number W1022 Cap. 10000  
 Bottom Recorder Depth (Outside) 4411 ft. Recorder Number 13564 Cap. 4475  
 Below Straddle Recorder Depth \_\_\_\_\_ ft. Recorder Number \_\_\_\_\_ Cap. \_\_\_\_\_

Drilling Contractor WARREN DRILLING RIG #8 Drill Collar Length 144 I.D. 2.25 in.  
 Mud Type CHEMICAL Viscosity 44 Weight Pipe Length \_\_\_\_\_ I.D. \_\_\_\_\_ in.  
 Weight 9.4 Water Loss 14.4 cc. Drill Pipe Length 4232 I.D. 3.25 in.  
 Chlorides 6500 P.P.M. Test Tool Length 27 ft. Tool Size. 5 1/2 in.  
 Jars: Make STERLING Serial Number 808 Anchor Length 67 ft. Size 5 1/2 in.  
 Did Well Flow? NO Reversed Out NO Surface Choke Size 3/4 in. Bottom Choke Size 3/4 in.  
 Gravity Oil \_\_\_\_\_ Main Hole Size 7 7/8 in. Tool Joint Size 4 1/2 XH in.

Blow: WEAK BLOW BUILDING TO A STRONG BLOW IN 18 MINUTES INITIAL FLOW PERIOD. WEAK BLOW BUILDING TO A STRONG BLOW IN 24 MINUTES FINAL FLOW PERIOD.

Recovered 70 ft. of OIL CUT MUD. 15% OIL 85% MUD  
 Recovered 240 ft. of SLIGHTLY WATER GAS & MUD CUT OIL. 10% GAS 5% WATER 10% MUD 75% OIL  
 Recovered 60 ft. of WATER GAS & MUD CUT OIL. 15% GAS 5% WATER 10% MUD 70% OIL  
 Recovered \_\_\_\_\_ ft. of \_\_\_\_\_  
 Recovered \_\_\_\_\_ ft. of \_\_\_\_\_

Remarks: \_\_\_\_\_

Time Set Packer (s) 8:18 A.M. Time Started Off Bottom 10:18 A.M. Maximum Temperature 118°  
 Initial Hydrostatic Pressure .....(A) 2221 P.S.I.  
 Initial Flow Period .....Minutes 30 (B) 49 P.S.I. to  
 (C) 145 P.S.I.  
 Initial Closed In Period .....Minutes 30 (D) 1237 P.S.I.  
 Final Flow Period .....Minutes 30 (E) 144 P.S.I. to  
 (F) 176 P.S.I.  
 Final Closed In Period .....Minutes 30 (G) 1223 P.S.I.  
 Final Hydrostatic Pressure .....(H) 2109 P.S.I.

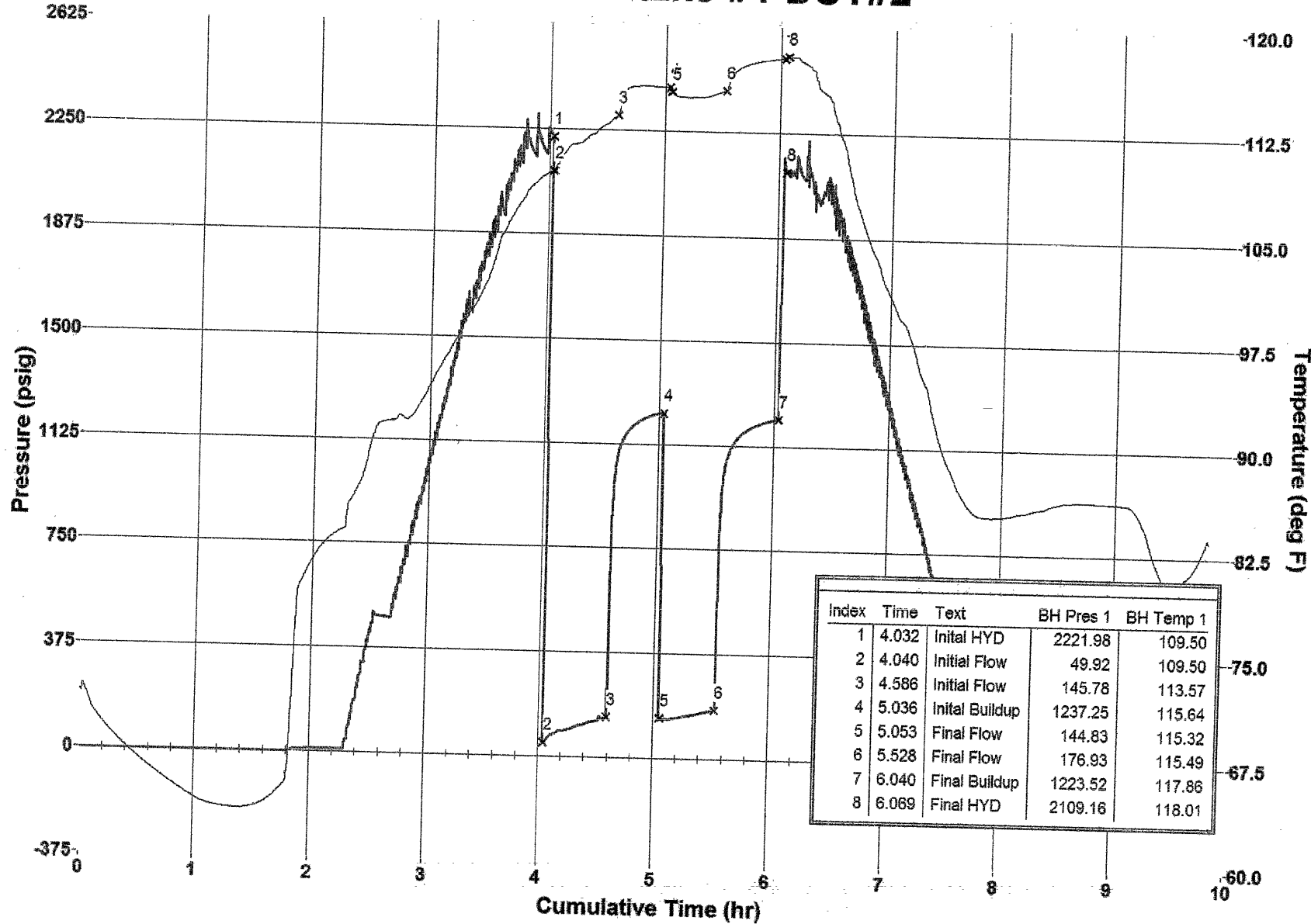
**RECEIVED**  
**AUG 31 2006**  
**KCC WICHITA**

Company Name Palomino Petroleum  
 Well Name Pfeifer- Klitzke #1  
 Type of Test DST#2 4403 to 4470'  
 Date(s) of Test 7-23-2006



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 AUG 31 2006  
 KCCWICHITA

# Pfeifer- Klitzke #1 DST#2



# SWIFT



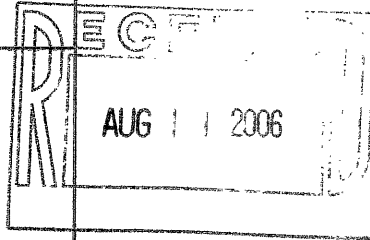
P. O. Box 466  
Ness City, KS 67560  
Off: 785-798-2300



## Invoice

DATE	INVOICE #
8/7/2006	10564

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



- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Pfeifer-Klitzke	Ness	DS&W Well Servi...	Oil	Development	Cement Port Collar	Wayne
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				10	Miles	4.00	40.00
577D	Pump Charge				1	Job	850.00	850.00
105	Port Collar Tool Rental With Man				1	Each	400.00	400.00T
330	Swift Multi-Density Standard (MIDCON II)				145	Sacks	12.50	1,812.50T
276	Flocele				50	Lb(s)	1.25	62.50T
290	D-Air				1	Gallon(s)	32.00	32.00T
581D	Service Charge Cement				200	Sacks	1.10	220.00
582D	Minimum Drayage Charge				1	Each	100.00	100.00
	Subtotal							3,517.00
	Sales Tax Ness County						5.30%	122.27

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AUG 31 2006  
KCC WICHITA

**We Appreciate Your Business!**

**Total**

\$3,639.27





CHARGE TO: **PALOMENO PENNOISUM**  
 ADDRESS:  
 CITY, STATE, ZIP CODE:

**RECEIVED**  
**AUG 31 2006**  
**KCC WICHITA**

TICKET No **10564**

PAGE 1 OF 1

SERVICE LOCATIONS 1. <b>NESS CITY KS</b>	WELL/PROJECT NO. #	LEASE <b>PFEDER - KLETZKE</b>	COUNTY/PARISH <b>NESS</b>	STATE <b>Ks</b>	CITY	DATE <b>8-7-06</b>	OWNER <b>SAME</b>
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <b>DS-W</b>	RIG NAME/NO.	SHIPPED VIA <b>CT</b>	DELIVERED TO <b>LOCALITY</b>	ORDER NO.	
3.	WELL TYPE <b>OIL</b>	WELL CATEGORY <b>DEVELOPMENT</b>	JOB PURPOSE <b>COMPT PORT COUN</b>	WELL PERMIT NO.	WELL LOCATION <b>NESS CITY KS - 5 1/2 W, WS</b>		
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 * 104	10	ME			4.00	40.00
577		1			PUMP SERVICE	1	JOB			850.00	850.00
105		1			PORT COUNR OPENING TOOL	1	JOB			400.00	400.00
330		1			SWIFT MULTI-DENSITY STAINERS	145	SHS			12.50	1812.50
276		1			FLOCELE	50	UBS			1.25	62.50
290		1			DADR	1	GAL			32.00	32.00
581		1			SERVICE CHARGE CMMWT.	200	SHS			1.10	220.00
582		1			DRAINAGE - MEDIUM	19970	UBS	99.85	TM	100.00	100.00

**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

**AM.**  
 **P.M.**  
 DATE SIGNED: **8-7-06** TIME SIGNED: **1400**

**REMIT PAYMENT TO:**  
**SWIFT SERVICES, INC.**  
**P.O. BOX 466**  
**NESS CITY, KS 67560**  
**785-798-2300**

<b>SURVEY</b>	AGREE	UN-DECIDED	DIS-AGREE	<b>PAGE TOTAL</b>	<b>3517.00</b>
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?					
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES <input type="checkbox"/> NO				
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				<b>TOTAL</b>	<b>3639.27</b>

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

SWIFT OPERATOR: **Wayne Watson** APPROVAL: \_\_\_\_\_

**Thank You!**

JOB LOG

SWIFT Services, Inc.

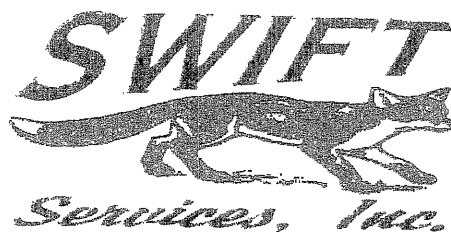
DATE 8-7-06 PAGE NO.

CUSTOMER PALO ALTO PETROLEUM WELL NO. #1 LEASE PFEIFER-KLITZKE JOB TYPE COMWT PORT COLLAR TICKET NO. 10564

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1400							ON LOCATION
								2 3/8 x 5 1/2 PORT COLLAR = 1724
	1445				✓		1000	PSI TEST CASING - HEAD
	1450	2 1/2	3	✓		450		OPEN PORT COLLAR - DIS RATE
	1455	4	81	✓		500		MAX COMWT 145 SCS SMD
	1520	3	6	✓		500		DISMANT COMWT
	1530				✓		1000	CLOSE PORT COLLAR - PSI TEST - HEAD  CALCULATED 10 SCS COMWT TO PORT
	1545	3	25	✓		400		RUN 4 JTS - CIRCULATE CLEAN  WASH UP DRUCK  PULL TOOL
	1630							JOB COMPLETE

THANK YOU  
WALIE, DUSTY, SEAN

RECEIVED  
AUG 31 2006  
KCC WICHITA

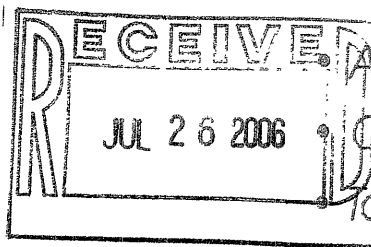


P. O. Box 466  
Ness City, KS 67560  
Off: 785-798-2300

# Invoice

DATE	INVOICE #
7/24/2006	10439

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



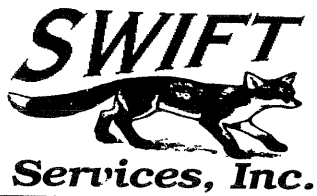
Acidizing  
Cement  
Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Pfeifer-Klitzke	Ness	Warren Drilling	Oil	Development	5-1/2" LongString	Wayne

PRICE REF.	DESCRIPTION	QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way	40	Miles	4.00	160.00
578D-L	Pump Charge - Long String - 4559 Feet	1	Job	1,250.00	1,250.00
221	Liquid KCL (Clayfix)	2	Gallon(s)	26.00	52.00T
281	Mud Flush	500	Gallon(s)	0.75	375.00T
402-5	5 1/2" Centralizer	9	Each	60.00	540.00T
403-5	5 1/2" Cement Basket	3	Each	230.00	690.00T
404-5	5 1/2" Port Collar - Top Joint #67 - 1734 Feet	1	Each	2,100.00	2,100.00T
406-5	5 1/2" Latch Down Plug & Baffle	1	Each	210.00	210.00T
407-5	5 1/2" Insert Float Shoe With Auto Fill	1	Each	250.00	250.00T
419-5	5 1/2" Rotating Head Rental	1	Each	250.00	250.00T
330	Swift Multi-Density Standard (MIDCON II)	175	Sacks	12.50	2,187.50T
276	Flocele	44	Lb(s)	1.25	55.00T
290	D-Air	1	Gallon(s)	32.00	32.00T
581D	Service Charge Cement	175	Sacks	1.10	192.50
583D	Drayage	347.68	Ton Miles	1.00	347.68
	Subtotal				8,691.68
	Sales Tax Ness County			5.30%	357.30

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AUG 31 2006  
KCC WICHITA

Thank You For Your Business!	Total	\$9,048.98
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CHARGE TO: **PALOMENO PETROLEUM**  
 ADDRESS:  
 CITY, STATE, ZIP CODE:

TICKET No 10439

PAGE 1 OF 2

SERVICE LOCATIONS  
 1. **NESS CITY, KS**

WELL/PROJECT NO. **#1** LEASE **PFETTER-KUTZKE** COUNTY/PARISH **NESS** STATE **KS** CITY **NESS** DATE **7-24-06** OWNER **SAME**

TICKET TYPE  SERVICE  SALES CONTRACTOR **WARRS DELG.** RIG NAME/NO. **LOCATION** SHIPPED VIA **CT** DELIVERED TO **LOCATION** ORDER NO.

WELL TYPE **OTL** WELL CATEGORY **DEVELOPMENT** JOB PURPOSE **5 1/2" LONGSTRING** WELL PERMIT NO. WELL LOCATION **NESS CITY, KS - 6W, W 270**

REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE #104	40	ME			4.00	160.00
578		1			PUMP SERVICE	1	JOB	4559	FT	1250.00	1250.00
221		1			LIGUIDS KLL	2	CAL			26.00	52.00
281		1			MUD PUSK	500	CAL			.75	375.00
402		1			CENTRAL DEAS	9	EA	5 1/2"		60.00	540.00
403		1			CEMENT BASKETS	3	EA			230.00	690.00
404	RECEIVED AUG 31 2006 KCC MICHITA	1			PART COLLAR TOP JT # 67	1	EA	1734	FT	2100.00	2100.00
406		1			LATCH DOWN PLUG - BAFFLE	1	EA			210.00	210.00
407		1			INSET FLOAT SHOE W/ AUTO FOLLOW	1	EA			250.00	250.00
419		1			ROTATING HEAD RENTAL	1	JOB			250.00	250.00

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 **7-24-06** TIME SIGNED **1900**  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?				#1	5877.00
WE UNDERSTOOD AND MET YOUR NEEDS?				#2	2814.68
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				subtotal	8691.68
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX	357.30
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO		Less 5.3%	
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL	9048.98

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

SWIFT OPERATOR **Warrs Wason**

APPROVAL **Pat Henry**

Thank You!



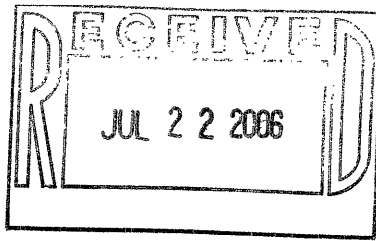
**JOB LOG**

**SWIFT Services, Inc.**

DATE 7-24-06 PAGE NO. 1

CUSTOMER **PALOMINO Petroleum** WELL NO. #1 LEASE **PFEDER - KLITZKE** JOB TYPE **5 1/2" LONGSTRONG** TICKET NO. **10439**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL/GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1900							ON LOCATION
	2230							START 5 1/2" CASING IN WELL
								TD- 4567 SETC 4559
								TP- 4559 5 1/2" #/ft 14
								ST- 19.57
								CSNADRES- 1, 2, 4, 7, 11, 15, 19, 23, 66
								CMT BSKTS- 3, 5, 67
								PORT COLLAR = 1734 TOP JT# 67
	0125							DROP BALL - CALCULATE ROTATE
	0200	6	12		✓		550	PUMP 500 GAL MUD FLUSH "
	0202	6	20		✓		550	PUMP 20 BBL'S KEL FLUSH "
	0208		4 1/2					PLUG RH-MH
	0212	6	31		✓		500	MAX CSWT- U- 75 SKS SMD = 12.2 PPG "
		4 1/2	31		✓		350	TL- 100 SKS SMD = 13.5 PPG "
	0224							WASH OUT PUMP- LINES
	0225							RELEASE CATCH DOWN PLUG
	0227	6 1/2	0		✓			DEBARE PLUG "
		6 1/2	100				800	SHUT OFF ROTATING
	0244	6 1/2	110.8				1500	PLUG DOWN - PSE UP CATCH 2ND PLUG
	0246						OK	RELEASE PSE- WELL RECEIVED AUG 31 2006 KCC WICHITA
								WASH UP TRUCK
	0330							JOB COMPLETE THANK YOU WAVE, DUSTY, BEST



Allied Cementing Co., Inc  
P.O. Box 31

Russell, KS 67665

\*\*\*\*\*  
\* I N V O I C E \*  
\*\*\*\*\*

Invoice Number: 103527

Invoice Date: 07/20/06

Sold Palomino Petroleum , Inc.  
To: 4924 SE 84th St.  
Newton, KS  
67114-8827

Cust I.D.....: Palo  
P.O. Number...: PfeiferKlitzke #1  
P.O. Date....: 07/20/06

Due Date.: 08/19/06  
Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	160.00	SKS	10.6500	1704.00	T
Gel	3.00	SKS	16.6500	49.95	T
Chloride	5.00	SKS	46.6000	233.00	T
Handling	168.00	SKS	1.9000	319.20	E
Mileage min.	1.00	MILE	240.0000	240.00	E
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	6.00	MILE	5.0000	30.00	E
Wooden Plug	1.00	EACH	60.0000	60.00	T

All Prices Are Net, Payable 30 Days Following	Subtotal:	3451.15
Date of Invoice. 1 1/2% Charged Thereafter.	Tax.....:	108.49
If Account CURRENT take Discount of \$ <u>345.11</u>	Payments:	0.00
ONLY if paid within 30 days from Invoice Date	Total....:	3559.64

RECEIVED  
AUG 31 2006  
KCC WICHITA

# ALLIED CEMENTING CO., INC. 24202

Federal Tax I.D.# ~~0000~~

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

SERVICE POINT: St Bend

DATE <u>7-14-06</u>	SEC <u>30</u>	TWP <u>17</u>	RANGE <u>23</u>	CALLED OUT <u>8:30 PM</u>	ON LOCATION <u>12:00 AM</u>	JOB START <u>4:30 AM</u>	JOB FINISH <u>5:00 AM</u>
LEASE <u>Pfeifer Klitzke</u>		WELL # <u>1</u>		LOCATION <u>New City 6 N W/ Side</u>		COUNTY <u>New</u>	STATE <u>Ks</u>
OLD OR NEW (Circle one) <u>NEW</u>							

CONTRACTOR Warren #8

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 227'

CASING SIZE 8 5/8 new 20" DEPTH 224'

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. 15'

PERFS. \_\_\_\_\_

DISPLACEMENT 13 1/2 bbls

OWNER Same

CEMENT

AMOUNT ORDERED 160 lbs Common

32 cc 2% Gel

**EQUIPMENT**

PUMP TRUCK CEMENTER Tim D

# 120 HELPER Rich H

BULK TRUCK

# 341 DRIVER Kevin D Marilyn S

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON	<u>160 lbs</u>	@	<u>10.65</u>	<u>1704.00</u>
POZMIX		@		
GEL	<u>32 cc</u>	@	<u>16.65</u>	<u>49.95</u>
CHLORIDE	<u>5 gal</u>	@	<u>46.60</u>	<u>233.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>160 lbs</u>	@	<u>1.90</u>	<u>304.20</u>
MILEAGE	<u>168 mi</u>	@	<u>08.06/mi</u>	<u>240.00</u>

TOTAL 2546.15

**REMARKS:**

Run 224' of 8 5/8" cas. Break circulation.

Used 160 lbs Common 32 cc 2% Gel

Released Plug. Replaced with fresh

H<sub>2</sub>O.

Cement did circulate

**RECEIVED**  
SERVICE  
AUG 31 2006

DEPTH OF JOB	<u>224'</u>			
PUMP TRUCK CHARGE				<u>85.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>6</u>	@	<u>5.00</u>	<u>30.00</u>
MANIFOLD		@		
		@		
		@		

TOTAL 845.00

CHARGE TO: Palomino Petroleum

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**PLUG & FLOAT EQUIPMENT**

1- 8 5/8 wooden Plug	@	<u>60.00</u>	<u>60.00</u>
	@		
	@		
	@		
	@		

TOTAL 60.00

TAX \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

1 Ranker

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.

SIGNATURE X Gerald Davidson

X

PRINTED NAME