

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1
September 1999
Form Must Be Typed

ORIGINAL

Operator: License # 30742
Name: Palomino Petroleum, Inc.
Address: 4924 SE 84th St. 160' S & 170' E of C E/2 Sec. 30 Twp. 17 S. R. 24 East West
City/State/Zip: Newton, Kansas 67114-8827
Purchaser: None
Operator Contact Person: Klee R. Watchous
Phone: (316) 799-1000
Contractor: Name: Pickrell Drilling, Inc.
License: 5123
Wellsite Geologist: Robert A. Schreiber

API No. 15 - 135-24320 0000
County: Ness
2480 feet from (S) N (circle one) Line of Section
1150 feet from (E) W (circle one) Line of Section

Designate Type of Completion: **KCC**
 New Well Re-Entry Workover Oil SWD SIOW Temp. Abd. Gas ENHR SIGW Dry Other (Core, WSW, Expl., Cathodic, etc)

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (SE) NW SW
Lease Name: Keilman Unit Well #: 1
Field Name: Aldrich NE
Producing Formation: Mississippian
Elevation: Ground: 2451 Kelly Bushing: 2456

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. _____

Total Depth: 4550 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 235 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to _____ w/ _____ sx cmt.

12-1-04 12-10-04 12-10-04
Spud Date or 12-10-04 Date Reached TD 12-10-04 Completion Date or
Recompletion Date 12-10-04 Recompletion Date

Drilling Fluid Management Plan AL II P&T with
(Data must be collected from the Reserve Pit) 3-5-07
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: January 11, 2005

Subscribed and sworn to before me this 11th day of January,
20_05_

Notary Public: Carla R. Penwell
Carla R. Penwell

Date Commission Expires: October 6, 2005
NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
My Appt. Expires 10-6-05

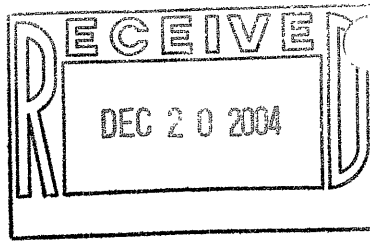
KCC Office Use ONLY
 Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

<u>Log</u>	<u>Top</u>	<u>Datum</u>
Ft. Scott	4356	(-1900)
Cherokee Sh.	4380	(-1924)
Cher. Sd. - Upr.	4445	(-1989)
Cher. Sd. - Lwr.	4472	(-2016)
Miss.	4522	(-2066)
LTD	4551	(-2095)

KCC
JAN 11 2005
CONFIDENTIAL

RECEIVED
JAN 12 2005
KCC WICHITA

ALLIED CEMENTING CO., INC.
 P.O. BOX 31
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566
 FEDERAL TAX ID# 48-0727860



 * I N V O I C E *

Invoice Number: 095334

Invoice Date: 12/14/04

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

KCC
JAN 11 2005
CONFIDENTIAL

Cust I.D.....: Palo
 P.O. Number...: Kellman #1
 P.O. Date.....: 12/14/04

Due Date.: 01/13/05
 Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	160.00	SKS	7.8500	1256.00	T
Gel	3.00	SKS	11.0000	33.00	T
Chloride	5.00	SKS	33.0000	165.00	T
Handling	168.00	SKS	1.3500	226.80	E
Mileage min chq.	1.00	MILE	150.0000	150.00	E
Surface	1.00	JOE	570.0000	570.00	E
Mileage pmp trk	12.00	MILE	4.0000	48.00	E
Wood Plug	1.00	EACH	55.0000	55.00	T

All Prices Are Net, Payable 30 Days Following
 Date of Invoices. 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of \$ **250.38**
 ONLY if paid within 30 days from Invoice Date

Subtotal:	2503.80
Tax.....	79.98 70.00
Payments:	0.00
Total....	2583.78

RECEIVED
JAN 12 2005
KCC WICHITA

ALLIED CEMENTING CO., INC.

20196

Federal Tax I.D.# 48-0727860

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

SERVICE POINT:
Great Bend

DATE <u>12-20-04</u>	SEC. <u>30</u>	TWP. <u>17</u>	RANGE <u>22 W</u>	CALLED OUT <u>10:00 pm</u>	ON LOCATION <u>11:00 pm</u>	JOB START <u>8:00</u>	JOB FINISH <u>8:30</u>
LEASE <u>Kellman</u>	WELL# <u>#1</u>	LOCATION <u>Ness City West to Rd</u>			COUNTY <u>Ness</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)			<u>533-5 north - 1 west - 1</u>				

CONTRACTOR Pickrell

TYPE OF JOB Surface Pipe

HOLE SIZE 12 1/4 T.D. 240

CASING SIZE 8 5/8 DEPTH 240

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. approx 15'

PERFS.

DISPLACEMENT 1 1/2 BBLs

OWNER Palomino Pet. Inc

CEMENT
AMOUNT ORDERED 160 5x Common
390 c/c + 290 gel

COMMON	<u>160</u>	@	<u>7.85</u>	<u>1256.00</u>
POZMIX		@		
GEL	<u>3</u>	@	<u>11.00</u>	<u>33.00</u>
CHLORIDE	<u>5</u>	@	<u>33.00</u>	<u>165.00</u>
ASC		@		

EQUIPMENT KCC

PUMP TRUCK CEMENTER Jack JAN 11 2005

181 HELPER Don CONFIDENTIAL

BULK TRUCK DRIVER Richard

DRIVER

RECEIVED

JAN 12 2005

KCC WICHITA

HANDLING	<u>168</u>	@	<u>1.35</u>	<u>226.80</u>
MILEAGE	<u>12.5</u>			<u>150.00</u>
				<u>min</u>
TOTAL				<u>1830.80</u>

REMARKS:
Run 5 jts of 8 5/8 csg - cement with
160 5x cement - Displace plug with
1 1/2 BBLs of fresh water. Cement
Did Circ.

Thanks

CHARGE TO: Palomino Pet. Inc,

STREET 1324 S.E. 64th St.

CITY Newton STATE KS, ZIP 67114-8827

SERVICE

DEPTH OF JOB	<u>240</u>			
PUMP TRUCK CHARGE				<u>570.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>12</u>	@	<u>4.00</u>	<u>48.00</u>
MANIFOLD		@		
		@		
		@		
TOTAL				<u>618.00</u>

PLUG & FLOAT EQUIPMENT

<u>1-8 3/8 Wood</u>	@	<u>55</u>	<u>55.00</u>
	@		
	@		
	@		
	@		
TOTAL			<u>55.00</u>

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.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Mike Kern

Mike Kern
PRINTED NAME