

**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

Operator: License # 30742  
Name: Palomino Petroleum, Inc.  
Address: 4924 SE 84th St.  
City/State/Zip: Newton, Kansas 67114-8827  
Purchaser: None  
Operator Contact Person: Klee R. Watchous  
Phone: (316) 799-1000  
Contractor: Name: VAL Energy, Inc.  
License: 5822

Wellsite Geologist: Kevin Davis  
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>6/9/07</u>	<u>6/26/07</u>	<u>6/26/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 025-21416-0000  
County: Clark  
SW SW SW NE Sec. 14 Twp. 32 S. R. 21  East  West  
2600 feet from S (N) (circle one) Line of Section  
2630 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) (NE) SE NW SW  
Lease Name: Loesch-Stephens Well #: 1  
Field Name: None (Wildcat)

Producing Formation: None  
Elevation: Ground: 1972 Kelly Bushing: 1982  
Total Depth: 6774 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 734 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.

**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: July 12, 2007

Subscribed and sworn to before me this 12th day of July,

20-07  
NOTARY PUBLIC - State of Kansas  
Notary Public: Carla R. Penwell  
My Appt. Expires 10-6-09  
Date Commission Expires: October 6, 2009

**KCC Office Use ONLY**

Letter of Confidentiality Received  
 If Denied, Yes  Date: \_\_\_\_\_ **RECEIVED**  
 Wireline Log Received **KANSAS CORPORATION COMMISS**  
 Geologist Report Received **JUL 16 2007**  
 UIC Distribution **CONSERVATION DIVISION**  
**WICHITA, KS**