

STATE CORPORATION COMMISSION OF KANSAS
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
ACO-1 WELL HISTORY
DESCRIPTION OF WELL AND LEASE

ORIGINAL

API NO. 15- 015-19038-0002

County Butler
NE - NW - NE - NE Sec. 7 Twp. 25S Rge. 3

Operator: License # 30742

Name: Palomino Petroleum, Inc.

Address 4924 SE 84th St.

City/State/Zip Newton, KS 67114-8827

Purchaser: _____

Operator Contact Person: Klee R. Watchous

Phone (316) 799-1000

Contractor: Name: Summit Drilling Company

License: 30141

Wellsite Geologist: James W. Thompson

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:

Operator: Palomino Petroleum, Inc.

Well Name: Busenitz #1

Comp. Date 7-31-00 Old Total Depth 3149

Deepening Re-perf. Conv. to Inj/SWD
 Plug Back PBT
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Inj?) Docket No. _____

8-2-00 8-21-00 8-21-00
Spud Date Date Reached TD Completion Date

Footages Calculated from Nearest Outside Section Corner:
NE, SE, NW or SW (circle one)

Lease Name Busenitz Well # 1

Field Name Burgess

Producing Formation Mississippian

Elevation: Ground 1321 KB 1331

Total Depth 3149 PBTD _____

Amount of Surface Pipe Set and Cemented at 109 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 PSA KJR 7/05/07
(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 Rng. E/W

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 on 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 10/9/00

Subscribed and sworn to before me this 9th day of October, 00.

Notary Public Carla R. Penwell

Date Commission Expires 10-6-01

RECEIVED
STATE CORPORATION COMMISSION

K.C.C. OFFICE USE ONLY
F Letter of Confidentiality Attached
C Wireline Log Received
C Geologist Report Received
Wichita
DISTRIBUTION
KCC SWD/Rep NGPA
KGS Plug Other
(Specify)
RECEIVED
STATE CORPORATION COMMISSION

NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
My Appt. Expires 10/16/01

OCT 10 2000 Form ACO-1 (7-91)

CONSERVATION DIVISION
Wichita, Kansas

Operator Name Palomino Petroleum, Inc. Lease Name Busenitz Well # 1
 Sec. 7 Twp. 25S Rge. 3 East West
 County Butler

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all drill stem 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 during test. Attach extra sheet if more space is needed. Attach copy of log.

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.)

Log Formation (Top), Depth and Datum Sample
 Name Top Datum

List All E.Logs Run:

Radiation Guard Log
 Dual Induction Log
 Dual Compensated Porosity Log

CASING RECORD <input type="checkbox"/> New <input checked="" 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		8 5/8"	24#				

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
26	2737-2750		

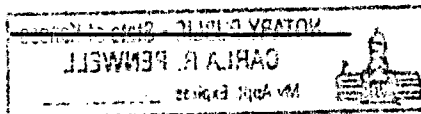
TUBING RECORD		Size	Set At	Packer At	Liner Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		2 1/2"		2655'	
Date of First, Resumed Production, SWD or Inj.			Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)		
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

Disposition of Gas:

METHOD OF COMPLETION

Production Interval

Vented Sold Used on Lease (If vented, submit ACO-18.) Open Hole Perf. Dually Comp. Commingled Other (Specify)



INVOICE NO. 2812

UNITED CEMENTING & ACID CO., INC.

REMIT TO
BOX 712
EL DORADO, KANSAS 67042

FIELD TICKET NO. 2084

(316) 321-4680

DATE 7-31-2000

ORIGINAL

Palomino Petroleum
4924 SE 24th St.
Newton, KS 67114-8827

FULLY INSURED

P.O. #

DATE OF JOB	COUNTY	STATE	LEASE	WELL NO.
7-31-2000	SG	KS	BUSENITZ	
SIZE OF CASING	DEPTH OF WELL	DEPTH OF JOB	PLUG DEPTH	PRESSURE
Plugging 112 sax. 60/40 Pozmix 4 sax. Gel Bulk Charge Drayage Pump Truck Charge (1) Cementing Unit @ 4.70 sax. @ 9.50 sax. @ 5.85 sacks x .669 xp 28 mix. @ 5.75 tons x .66 x 28 mi. @ 2.00 per mi. x 28 mi. (One-Way)				450.00 526.40 38.00 103.24 106.26 56.00
SALES TAX				\$ 75.51
TOTAL				\$ 1359.41

TERMS: NET 30 DAYS FROM INVOICE DATE
PLEASE PAY FROM THIS INVOICE

RECEIVED
STATE CORPORATION COMMISSION

OCT 10 2000

CONSERVATION DIVISION
Topeka, Kansas

SERVICE TICKET

UNION CEMENTING & ACID CO., INC.

2084

BOX 712

EL DORADO, KANSAS 67042

PHONE AC 316-321-4680

DATE 7-31-00 COUNTY Seq. ORIGINAL

CHG. TO: Palomino Petro ADDRESS _____

CITY _____ STATE _____ ZIP _____

LEASE & WELL NO. Busenitz SEC. _____ TWP. _____ RNG. _____

CONTRACTOR Summit Drilling Co TIME ON LOCATION _____

KIND OF JOB Plugging

SERVICE CHARGE: Pump truck 450.00

QUANTITY	MATERIAL USED TYPE		
<u>1120004</u>	<u>60/40 Pozmix</u>	<u>@</u>	<u>4.70</u>
<u>4 bag</u>	<u>fuel</u>	<u>@</u>	<u>9.50</u>
<u>116</u>	<u>BULK CHARGE Sof</u>	<u>@</u>	<u>89</u>
<u>28</u>	<u>BULK TRK. MILES (5.75 tons x 66 x 28 miles)</u>		<u>106.26</u>
<u>28</u>	<u>PUMP TRK. MILES (on way @ 200 per m. le)</u>		<u>56.00</u>
	<u>PLUGS</u>		
	<u>SALES TAX</u>		<u>75.51</u>
	<u>TOTAL</u>		<u>1,355.41</u>

T. D. _____ CSG. SET AT _____ VOLUME _____

SIZE HOLE _____ TBG SET AT _____ VOLUME _____

MAX. PRESS. _____ SIZE PIPE _____

PLUG DEPTH _____ PKER DEPTH _____

PLUG USED _____ TIME FINISHED _____

REMARKS: Circulated Cement from 240 ft to surface

RECEIVED
STATE CORPORATION COMMISSION
OCT 10 2000

EQUIPMENT USED

NAME <u>[Signature]</u>	NAME _____
UNIT NO. _____	UNIT NO. _____

CONSERVATION DIVISION
Wichita, Kansas

CEMENTER OR TREATER

OWNER'S REP.