

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

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

Handwritten initials and date: 8/14/08

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: Southwind Drilling, Inc.
 License: 33350
 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. _____

<u>6/14/08</u>	<u>6/21/08</u>	<u>6/21/08</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24810 - 0000
 County: Ness
NE NW SE SW Sec. 24 Twp. 19 S. R. 25 East West
1010 feet from (S) N (circle one) Line of Section
1690 feet from E / (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW (SW)
 Lease Name: Gantz-Holloway Well #: 1
 Field Name: Fritzier East Ext.

Producing Formation: None
 Elevation: Ground: 2380 Kelly Bushing: 2390
 Total Depth: 4525 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 _____ Feet
 If Alternate II completion, cement circulated from _____
 feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan P+A AIT 1 NCR
 (Data must be collected from the Reserve Pit) 8-20-08
 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.: _____

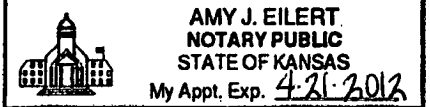
INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side 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 13, 2008

Subscribed and sworn to before me this 13th day of August,
20 08.

Notary Public: Amy J. Eilert
 Date Commission Expires: April 21, 2012



KCC Office Use ONLY

Letter of Confidentiality Received
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received **RECEIVED**
 UIC Distribution **KANSAS CORPORATION COMMISSION**
AUG 14 2008

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Palomino Petroleum, Inc. Lease Name: Gantz-Holloway Well #: 1
 Sec. 24 Twp. 19 S. R. 25 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:

Radiation Guard Log

Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
Anhy.	1660	(+ 730)
Base Anhy.	1698	(+ 692)
Topeka	3467	(-1077)
Heebner	3779	(-1389)
LKC	3822	(-1432)
BKC	4146	(-1756)
Marmaton	4182	(-1792)
Pawnee	4265	(-1875)

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	235	2% gel, 3% c.c.

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

TUBING RECORD		Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.	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 Vented Sold Used on Lease (If vented, Submit ACO-18.) Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

RECEIVED
 KANSAS CORPORATION COMMISSION
AUG 14 2008

LOG TOPS

Ft. Scott	4337	(-1947)
Cherokee Sh.	4361	(-1971)
Miss.	4452	(-2062)
LTD	4525	(-2135)

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 14 2008

CONSERVATION DIVISION
WICHITA, KS



ALLIED

CEMENTING CO., LLC
Cementing & Acidizing Services

INVOICE

24 S. Lincoln Street
P.O. Box 31
Russell, KS 67665-2906

RECEIVED

Invoice Number: 114511

Invoice Date: Jun 17, 2008

Page: 1

Voice: (785) 483-3887
Fax: (785) 483-5566

JUN 20 2008

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

Federal Tax I.D.#: 7

Customer ID	Well Name # or Customer P.O.	Payment Terms	
Palo	Gantz-Hollaway #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1	Great Bend	Jun 17, 2008	7/17/08

Quantity	Item	Description	Unit Price	Amount
235.00	MAT	Class A Common	12.30	2,890.50
5.00	MAT	Gel	18.40	92.00
7.00	MAT	Chloride	51.50	360.50
59.00	MAT	Flo Seal	2.20	129.80
249.00	SER	Handling	2.10	522.90
14.00	SER	Mileage 249 sx @ .09 per sk per mi	22.41	313.74
1.00	SER	Surface	900.00	900.00
14.00	SER	Mileage Pump Truck	7.00	98.00
1.00	SER	Head Rental	111.00	111.00
1.00	EQP	Wooden Plug	67.00	67.00

ALL PRICES ARE NET, PAYABLE
30 DAYS FOLLOWING DATE OF
INVOICE. 1 1/2% CHARGED
THEREAFTER. IF ACCOUNT IS
CURRENT, TAKE DISCOUNT OF

\$ 5,673.05

ONLY IF PAID ON OR BEFORE

Jul 17, 2008

Subtotal	5,485.44
Sales Tax	187.61
Total Invoice Amount	5,673.05
Payment/Credit Applied	
TOTAL	5,673.05

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 14 2008

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., LLC. 33032

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

SERVICE POINT:
Ness City

DATE <u>6-14-08</u>	SEC <u>24</u>	TWP <u>19S</u>	RANGE <u>25W</u>	CALLED OUT <u>10:00 AM</u>	ON LOCATION <u>11:00 AM</u>	JOB START <u>9:30 PM</u>	JOB FINISH <u>10:00 PM</u>
LEASE <u>Grantz-Hollaway</u>	WELL # <u>1</u>	LOCATION <u>Ness City W to C.R. 533</u>			COUNTY <u>Ness</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)			45 to Rd 90, 2W to gate, 1.2 mile SW Into				

CONTRACTOR Southwind #1 OWNER Palamino Petroleum

TYPE OF JOB Surface

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

CASING SIZE 8 5/8" DEPTH 224'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX 200# MINIMUM 0

MEAS. LINE _____ SHOE JOINT 15'

CEMENT LEFT IN CSG. 15'

PERFS. _____

DISPLACEMENT 13,313 BBLs of freshwater

CEMENT AMOUNT ORDERED 235 sk Common
3% CC 2% Gel 1/4# Flo-seal
(Cement ordered due to lost circulation)

COMMON	<u>235 sk</u>	@	<u>12.30</u>	<u>2890.50</u>
POZMIX		@		
GEL	<u>5 sk</u>	@	<u>18.40</u>	<u>92.00</u>
CHLORIDE	<u>7 sk</u>	@	<u>51.50</u>	<u>360.50</u>
ASC		@		
<u>FLO SEAL</u>	<u>59 #</u>	@	<u>2.20</u>	<u>129.80</u>

EQUIPMENT

PUMP TRUCK CEMENTER Rick H.

181 HELPER Carls.

BULK TRUCK DRIVER Kevin W.

344

BULK TRUCK DRIVER Garten D.

HANDLING	<u>249.44</u>	@	<u>2.10</u>	<u>522.90</u>
MILEAGE	<u>249.44</u>	@	<u>09-14</u>	<u>313.74</u>
TOTAL				<u>4309.44</u>

REMARKS:

pipe on bottom, break circulation, mixed
235 sk Common 3% CC, 2% Gel
shut down Released plug + displaced
with 13,31 BBLs of freshwater and
shut in.
Cement did Circulate.

SERVICE

DEPTH OF JOB 224'

PUMP TRUCK CHARGE _____ 900.00

EXTRA FOOTAGE _____ @ _____



ALLIED

CEMENTING CO., LLC
Cementing & Acidizing Services

INVOICE

24 S. Lincoln Street
P.O. Box 31
Russell, KS 67665-2906
Voice: (785) 483-3887
Fax: (785) 483-5566

RECEIVED

JUN 30 2008

Invoice Number: 114648
Invoice Date: Jun 25, 2008
Page: 1

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

Federal Tax I.D.#:

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Palo	Gant-Holloway #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1	Liberal	Jun 21, 2008	7/25/08

Quantity	Item	Description	Unit Price	Amount
123.00	MAT	Class A Common	14.20	1,746.60
82.00	MAT	PozMix	7.20	590.40
7.00	MAT	Gel	18.75	131.25
51.00	MAT	Flo Seal	2.25	114.75
214.00	SER	Materials Handling	2.15	460.10
65.00	SER	Mileage 214sk @.09/sk/mi	19.26	1,251.90
1.00	SER	Rotary Plug	917.00	917.00
65.00	SER	Pump Truck Mileage	7.00	455.00

ALL PRICES ARE NET, PAYABLE
30 DAYS FOLLOWING DATE OF
INVOICE. 1 1/2% CHARGED
THEREAFTER. IF ACCOUNT IS
CURRENT, TAKE DISCOUNT OF

\$ 5,967.35

ONLY IF PAID ON OR BEFORE

JUL 25 2008

Subtotal	5,667.00
Sales Tax	300.35
Total Invoice Amount	5,967.35
Payment/Credit Applied	
TOTAL	5,967.35

RECEIVED

KANSAS CORPORATION COMMISSION

AUG 14 2008

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC.

26892

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

SERVICE POINT:

Liberal, KS

DATE <u>6-21-08</u>	SEC. <u>24</u>	TWP. <u>19S</u>	RANGE <u>25W</u>	CALLED OUT	ON LOCATION	JOB START <u>9:30am</u>	JOB FINISH <u>10:30pm</u>
LEASE <u>Gantz-Holloway</u>		WELL # <u>1</u>	LOCATION <u>Ness City, KS - 4.5W, 4S, 2W</u>		COUNTY <u>Ness</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)			STW into				

CONTRACTOR South Wind Drilling

TYPE OF JOB Rotary Plug

HOLE SIZE _____ T.D. _____

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 DEPTH 1680'

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT

AMOUNT ORDERED 205sk 60/40 49.6el
1/4# Floseal

COMMON	<u>123sk</u>	@ <u>14.20</u>	<u>1746.60</u>
POZMIX	<u>82sk</u>	@ <u>7.20</u>	<u>590.40</u>
GEL	<u>7sk</u>	@ <u>18.75</u>	<u>131.25</u>
CHLORIDE		@	
ASC		@	
<u>Floseal</u>	<u>51</u>	@ <u>2.25</u>	<u>114.75</u>
		@	
		@	
		@	
		@	
		@	
		@	
HANDLING	<u>214</u>	@ <u>2.15</u>	<u>460.10</u>
MILEAGE	<u>5k mi</u>	<u>.09</u>	<u>1251.90</u>

TOTAL 4295.00

REMARKS:

- 50sk Plug 1680'
- 80sk Plug 840'
- 40sk Plug 250'
- 20sk Plug 60'

SERVICE

DEPTH OF JOB 1150