

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

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 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. _____
9/6/05 9/14/05 9/14/05
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 009-24863-0000
County: Barton
W/2 NE SE Sec. 29 Twp. 16 S. R. 12 East West
1980 feet from S / N (circle one) Line of Section
980 feet from E / W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Jacobs Well #: 1
Field Name: Beaver South Ext.
Producing Formation: None
Elevation: Ground: 1902 Kelly Bushing: 1911
Total Depth: 3456 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at _____ 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) Alt. In Well
Chloride content _____ ppm Fluid volume 12-11-07 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.: _____

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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: November 4, 2005
Subscribed and sworn to before me this 4th day of November
20 05.
Notary Public: Carla R. Penwell
Carla R. Penwell

KCC Office Use ONLY

NO Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

Date Commission Expires October 6, 2009



ORIGINAL

Operator Name: Palomino Petroleum, Inc. Lease Name: Jacobs Well #: 1
 Sec. 29 Twp. 16 S. R. 12 East West County: Barton

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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: Radiation Guard, Sonic, Micro	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Anhy.</td> <td>809</td> <td>(+1102)</td> </tr> <tr> <td>Base Anhy.</td> <td>835</td> <td>(+1076)</td> </tr> <tr> <td>Topeka</td> <td>2725</td> <td>(- 814)</td> </tr> <tr> <td>Heebner</td> <td>3003</td> <td>(-1092)</td> </tr> <tr> <td>Toronto</td> <td>3019</td> <td>(-1108)</td> </tr> <tr> <td>Brown Lime</td> <td>3090</td> <td>(-1179)</td> </tr> <tr> <td>LKC</td> <td>3108</td> <td>(-1197)</td> </tr> <tr> <td>BKC</td> <td>3345</td> <td>(-1434)</td> </tr> </table>	Name	Top	Datum	Anhy.	809	(+1102)	Base Anhy.	835	(+1076)	Topeka	2725	(- 814)	Heebner	3003	(-1092)	Toronto	3019	(-1108)	Brown Lime	3090	(-1179)	LKC	3108	(-1197)	BKC	3345	(-1434)
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LKC	3108	(-1197)																										
BKC	3345	(-1434)																										

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"	23#	392'	Common	240	2% gel, 3% c.c.

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose: ___ Perforate ___ Protect Casing ___ Plug Back TD ___ Plug Off Zone	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
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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.)*

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

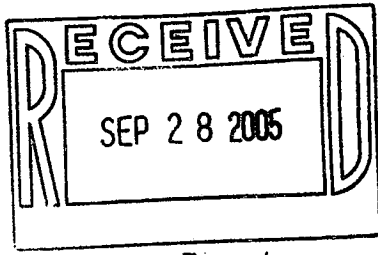
Production Interval _____

LOG TOPS

Arbuckle	3366	(-1455)
RTD	3456	(-1545)

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Allied Cementing Co., Inc
P.O. Box 31
Russell, KS 67665



* I N V O I C E *

Invoice Number: 098551

Invoice Date: 09/23/05

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

Cust I.D.....: Palo
P.O. Number...: Jacobs #1
P.O. Date.....: 09/23/05

Due Date.: 10/23/05
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	99.00	SKS	8.7000	861.30	T
Pozmix	66.00	SKS	4.7000	310.20	T
Gel	9.00	SKS	14.0000	126.00	T
FloSeal	41.00	LBS	1.7000	69.70	T
Handling	176.00	SKS	1.6000	281.60	T
Mileage	24.00	MILE	10.5600	253.44	T
176 sks @.06 per sk per mi					
Rotary Plug	1.00	JOB	750.0000	750.00	T
Mileage pmp trk	24.00	MILE	5.0000	120.00	T
Plug	1.00	EACH	35.0000	35.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of \$280.72
ONLY if paid within 30 days from Invoice Date

Subtotal:	2807.24
Tax.....:	183.87
Payments:	0.00
Total....:	2991.11

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ALLIED CEMENTING CO., INC.

11012

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

SERVICE POINT: Great Bend

DATE <u>9-14-05</u>	SEC. <u>29</u>	TWP. <u>16</u>	RANGE <u>12 W</u>	CALLED OUT <u>11:30 AM</u>	ON LOCATION <u>9 AM</u>	JOB START <u>10 AM</u>	JOB FIN <u>1:30 PM</u>
LEASE <u>Jacobs</u>	WELL# <u>1</u>	LOCATION <u>Beaver 1/2 S W 15</u>			COUNTY <u>Barber</u>	STATE <u>K.S.</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Southwind Rig #2
 TYPE OF JOB Rotary Plug
 HOLE SIZE _____ T.D. 3455 ft
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 DEPTH 3346 ft
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER _____
 CEMENT AMOUNT ORDERED 165 60/40 62 gal 1/4 # Floss gel Per Sk.

EQUIPMENT

PUMP TRUCK CEMENTER Mike Munsch
 # 131 HELPER Robert Burhenn
 BULK TRUCK DRIVER Steve Turkey
 # 342
 BULK TRUCK DRIVER _____
 # _____

COMMON	<u>99 gal.</u>	@	<u>8.70</u>	<u>861.30</u>
POZMIX	<u>60 gal.</u>	@	<u>4.70</u>	<u>310.20</u>
GEL	<u>9 gal</u>	@	<u>14.00</u>	<u>126.00</u>
CHLORIDE		@		
ASC		@		
	<u>FLO-SEAL 41 #</u>	@	<u>1.70</u>	<u>69.70</u>
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>176 gal</u>	@	<u>1.60</u>	<u>281.60</u>
MILEAGE	<u>176 gal 06 24</u>	@	<u>24</u>	<u>233.44</u>
				TOTAL * <u>1902.24</u>

REMARKS:

Mix 25 sk at 3346 Displace
Down with mud
mix 25 sk 422 ft
mix 90 sk 452 ft
mix 10 sk at 40 ft with wooden plug
may 15 sk in Red Hole

SERVICE

DEPTH OF JOB	<u>3346 ft</u>		
PUMP TRUCK CHARGE			<u>750.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>24</u>	@	<u>5.00</u>
		@	
		@	
		@	
TOTAL <u>870.00</u>			

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CHARGE TO: Paloming Pet
 STREET _____
 CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

MANIFOLD		@	
<u>1-8 1/2 old Hole Plug</u>	<u>35.00</u>		<u>35.00</u>
		@	
		@	
		@	
TOTAL <u>35.00</u>			

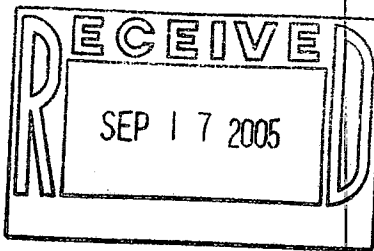
To Allied Cementing Co., Inc.
 You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

SIGNATURE X Darryl Krier

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS
 X DARRYL KRIER
 PRINTED NAME

Thank you 6/6

Allied Cementing Co., Inc
P.O. Box 31
Russell, KS 67665



* I N V O I C E *

Invoice Number: 098425

Invoice Date: 09/14/05

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

Cust I.D.....: Palo
P.O. Number...: Jacobs #1
P.O. Date.....: 09/14/05

Due Date.: 10/14/05
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	240.00	SKS	8.7000	2088.00	T
Gel	5.00	SKS	14.0000	70.00	T
Chloride	8.00	SKS	38.0000	304.00	T
Handling	253.00	SKS	1.6000	404.80	E
Mileage	24.00	MILE	15.1800	364.32	E
253 sks @.06 per sk per mi					
Surface	1.00	JOB	670.0000	670.00	E
Extra Footage	95.00	PER	0.5500	52.25	E
Mileage pmp trk	24.00	MILE	5.0000	120.00	E
Head Rental	1.00	PER	75.0000	75.00	E
Wooden Plug	1.00	EACH	55.0000	55.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of \$ 42034
ONLY if paid within 30 days from Invoice Date

Subtotal: 4203.37
Tax.....: 164.86
Payments: 0.00
Total....: 4368.23

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ALLIET CEMENTING CO., INC.

17565

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

SERVICE POINT:
Great Bend

DATE <i>9-6-05</i>	SEC <i>29</i>	TWP <i>16</i>	RANGE <i>12w</i>	CALLED OUT <i>7:00pm</i>	ON LOCATION <i>9:00pm</i>	JOB START <i>9:45pm</i>	JOB FINISH <i>10:45pm</i>
LEASE <i>Jacobs</i>	WELL # <i>1</i>	LOCATION <i>Brown 1/2 S W/S</i>			COUNTY <i>Barber</i>	STATE <i>K.S.</i>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR *Southwind Drilling Rig #2* OWNER *Palomino Petroleum*

TYPE OF JOB *Surface*

HOLE SIZE <i>12 1/2</i>	T.D. <i>395 ft</i>
CASING SIZE <i>23 3/8</i>	DEPTH <i>395 ft</i>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG. <i>15 ft</i>	
PERFS.	
DISPLACEMENT <i>23 3/8</i>	

CEMENT
AMOUNT ORDERED *240 of Common*
38cc 23g

COMMON	<i>240 A</i>	@	<i>8.70</i>	<i>2088.00</i>
POZMIX		@		
GEL	<i>5</i>	@	<i>14.00</i>	<i>70.00</i>
CHLORIDE	<i>8</i>	@	<i>38.00</i>	<i>304.00</i>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<i>253</i>	@	<i>1.60</i>	<i>404.80</i>
MILEAGE	<i>24 x 253 x .06</i>			<i>364.32</i>
RECEIVED				TOTAL <i>3231.12</i>

EQUIPMENT

PUMP TRUCK # <i>120</i>	CEMENTER <i>Mike Munsch</i>
	HELPER <i>J.D. Drilling</i>
BULK TRUCK # <i>341</i>	DRIVER <i>Terry Hodford</i>
BULK TRUCK #	DRIVER

REMARKS:
23"

*Circulate Hole with Reg Mud pump
mix Cement + Release Plug
Displace Plug Down with
Cement did Circulate to surface*

NOV 07 2005 SERVICE

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DEPTH OF JOB	<i>395 ft</i>		
PUMP TRUCK CHARGE	<i>0-300'</i>		<i>670.00</i>
EXTRA FOOTAGE	<i>95'</i>	@	<i>.55</i> <i>52.25</i>
MILEAGE	<i>24</i>	@	<i>5.00</i> <i>120.00</i>
<i>Head Rental</i>		@	<i>75.00</i> <i>75.00</i>
		@	
		@	
TOTAL <i>917.25</i>			

CHARGE TO: *Palomino Petro*

STREET _____

CITY _____ STATE _____ ZIP _____

*Thank
you
59*

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.

**ANY APPLICABLE TAX
WILL BE CHARGED
UPON INVOICING**

SIGNATURE *Darryl Krier*

PLUG & FLOAT EQUIPMENT

MANIFOLD	@		
<i>3/8 wooden Plug</i>	@	<i>55.00</i>	<i>55.00</i>
	@		
	@		
TOTAL <i>55.00</i>			

TAX _____

TOTAL CHARGE ~~_____~~

DISCOUNT ~~_____~~ IF PAID IN 30 DAYS

DARRYL KRIER
PRINTED NAME