

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

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: Warren Drilling, L.L.C.
License: 33724
Wellsite Geologist: Jon R. (Zeb) Stewart

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>7/26/06</u>	<u>8/4/06</u>	<u>8/4/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24529-0000
County: Ness
 E/2 SE NW Sec. 13 Twp. 19 S. R. 25 East West
2060 feet from S / N (circle one) Line of Section
2310 feet from E / W (circle one) Line of Section

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

Elevation: Ground: 2345 Kelly Bushing: 2355
Total Depth: 4502 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 225 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 ALT II W/H
(Data must be collected from the Reserve Pit) 12-11-07
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: August 31, 2006

Subscribed and sworn to before me this 31st day of August,
20 06.

Notary Public: Carla R. Penwell
Date Commission Expires: October 6, 2009

NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
My Appt. Expires 10-6-09

KCC Office Use ONLY
 Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received **RECEIVED**
 UIC Distribution
SEP 01 2006

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Operator Name: Palomino Petroleum, Inc. Lease Name: Fitzgerald Well #: 1
Sec. 13 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 <i>(Attach Additional Sheets)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Anhy.	1630	(+ 725)
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Base Anhy.	1665	(+ 690)
List All E. Logs Run:		Topeka	3429	(-1074)
		Heebner	3735	(-1380)
		Toronto	3754	(-1399)
		LKC	3780	(-1425)
		BKC	4094	(-1739)
		Marmaton	4130	(-1775)

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#	225'	Common	160	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 <i>(Amount and Kind of Material Used)</i>	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 METHOD OF COMPLETION Production Interval

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled

(If vented, Submit ACO-18.) Other (Specify) _____

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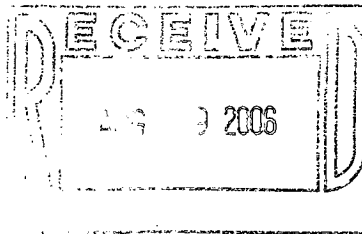
LOGS

Pawnee	4214	(-1859)
Ft. Scott	4290	(-1935)
Cherokee Sh.	4314	(-1959)
Miss.	4394	(-2039)
LTD	4502	(-2147)

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Quality Oilwell Cementing Inc.

845 E Wichita
P.O. Box 32
Russell, KS 67665



Invoice

Date	Invoice #
8/7/2006	66

Bill To
Palomino Petroleum Inc 4924 SE 84th Newton Ks 67114

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
165	common	10.50	1,732.50T
110	POZ	5.70	627.00T
14	Gel	16.25	227.50T
68	Celloseal	2.00	136.00T
289	handling	1.90	549.10
31,790	.08 cents per sack per mile	0.08	2,543.20
1	dry hole plug	45.00	45.00T
1	pump truck charge plugging	850.00	850.00
110	pump truck mileage charge	5.00	550.00
	Ness county Sales Tax	5.30%	146.70

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Thank you for your business. Dave

Total \$7,407.00

QUALITY OILWELL CEMENTING, INC.

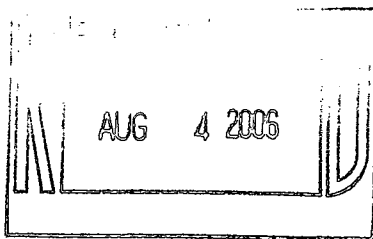
Phone 785-483-2025
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 1066

Date	8/4/06	Sec.	18	Twp.	19	Range	25	Called Out		On Location	3:15 PM	Job Start	3:30 PM	Finish	6:30 PM	
Lease	E. ...		Well No.	1		Location	N. ...			County	Miss	State	KS			
Contractor	Wagon Dig Rig							Owner	NLS							
Type Job	plug							To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.								
Hole Size	7 7/8		T.D.	4500												
Csg.			Depth	Charge To												
Tbg. Size			Depth	Street												
Drill Pipe			Depth	City												
Tool			Depth	State												
Cement Left in Csg.			Shoe Joint	The above was done to satisfaction and supervision of owner agent or contractor.												
Press Max.			Minimum													
Meas Line			Displace													
Perf.																
EQUIPMENT										CEMENT						
										Amount Ordered	275 @ 6 bag 1 1/2 ft flowline					
										Consisting of						
Pumptrk	1	No.	Cementor	Driver		Helper		Common		165 @ 10.50	1732.50					
Bulktrk	2	No.	Driver	Driver		Driver		Poz. Mix		110 @ 5.20	627.00					
Bulktrk		No.	Driver	Driver		Driver		Gel.		14 @ 16.25	227.50					
JOB SERVICES & REMARKS										Chloride						
										Hulls						
Pumptrk Charge	plug		850 @		550 @		Flowline 68 @ 2.00		11		136.00					
Mileage	110 @ 5.00		850 @		550 @											
Footage																
										Total 1400.00						
Remarks:	50 sk @ 17.10		80 sk @ 8.40		50 sk @ 4.20		50 sk @ 2.10		20 sk @ 1.00		10 mouse hole		15 Rat hole			
										Sales Tax						
										Handling 289 @ 1.90						
										Mileage 85 @ 2.90						
										Pump Fee						
										Sub Total 1400.00						
										Total						
										Floating Equipment & Plugs						
										Squeeze Manifold 8 @ 5.00						
										Rotating Head Dog Hole plug 45 @						
										RECEIVED						
										SEP 01 2006						
										KCC WICHITA						
										Tax 146.70						
										Discount						
										Total Charge 2407.00						
Signature																

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



*
* I N V O I C E *
*

Invoice Number: 103691

Invoice Date: 07/31/06

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

Cust I.D.....: Palo
P.O. Number...: Fitzgerald #1
P.O. Date.....: 07/31/06

Due Date.: 08/30/06
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	160.00	SKS	10.6500	1704.00	T
Gel	3.00	SKS	16.6500	49.95	T
Chloride	5.00	SKS	46.6000	233.00	T
Handling	168.00	SKS	1.9000	319.20	E
Mileage min.	1.00	MILE	240.0000	240.00	E
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	11.00	MILE	5.0000	55.00	E
Top Wood	1.00	EACH	60.0000	60.00	T

All Prices Are Net, Payable 30 Days Following	Subtotal:	3476.15
Date of Invoice. 1 1/2% Charged Thereafter.	Tax.....:	108.49
If Account CURRENT take Discount of \$ <u>347.61</u>	Payments:	0.00
ONLY if paid within 30 days from Invoice Date	Total....:	3584.64

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