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JUN - 9 2005

KCC WICHITA

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

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: Sterling Drilling Company
License: 5142
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. _____

<u>3/9/05</u>	<u>3/18/05</u>	<u>3/18/05</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 185-23298-0000
County: Stafford
E/2 NE NE Sec. 21 Twp. 22 S. R. 13 East West
740 feet from S / (circle one) Line of Section
330 feet from (circle one) E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Alpers Well #: 1

Field Name: Kenilworth
Producing Formation: Arbuckle

Elevation: Ground: 1896 Kelly Bushing: 1905

Total Depth: 3836 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at 316 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 AH 1 NCR 8-8-08
(Data must be collected from the Reserve Pit) P+A

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: June 8, 2005

Subscribed and sworn to before me this 8th day of June,
20 05

Notary Public: Carla R. Penwell
Carla R. Penwell

KCC Office Use ONLY

Letter of Confidentiality Received

If Denied, Yes Date: _____

Wireline Log Received

Geologist Report Received

UIC Distribution

Date Commission Expires: October 6, 2005
NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
My Appt. Expires 10-6-05

Operator Name: Palomino Petroleum, Inc. Lease Name: Alpers Well #: 1
 Sec. 21 Twp. 22 S. R. 13 East West County: Stafford

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:	<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>755</td> <td>(+1150)</td> </tr> <tr> <td>Base Anhy.</td> <td>778</td> <td>(+ 718)</td> </tr> <tr> <td>Herington</td> <td>1787</td> <td>(+ 118)</td> </tr> <tr> <td>Winfield</td> <td>1843</td> <td>(+ 62)</td> </tr> <tr> <td>Towanda</td> <td>1905</td> <td>(0)</td> </tr> <tr> <td>Ft. Riley</td> <td>1944</td> <td>(- 39)</td> </tr> <tr> <td>Blue Springs</td> <td>2045</td> <td>(- 140)</td> </tr> <tr> <td>Neva</td> <td>2296</td> <td>(- 391)</td> </tr> </table>	Name	Top	Datum	Anhy.	755	(+1150)	Base Anhy.	778	(+ 718)	Herington	1787	(+ 118)	Winfield	1843	(+ 62)	Towanda	1905	(0)	Ft. Riley	1944	(- 39)	Blue Springs	2045	(- 140)	Neva	2296	(- 391)
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CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used Cont'd on next page 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"	24#	316'	Common	275	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				
Estimated Production Per 24 Hours		Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
<input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)						

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)

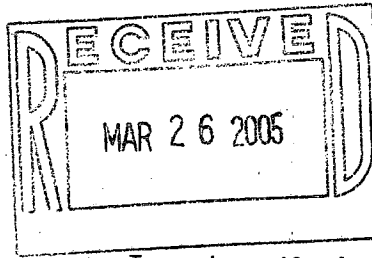
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LOGS

Red Eagle	2369	(- 464)
Wabaunsee	2548	(- 643)
Root Shale	2630	(- 725)
Stotler	2672	(- 767)
Tarkio	2732	(- 827)
Howard	2880	(- 975)
Topeka	2963	(-1058)
Heebner	3268	(-1363)
Brown Lime	3396	(-1491)
LKC	3421	(-1516)
BKC	3654	(-1749)
Viola	3721	(-1816)
Simpson	3772	(-1867)
Arbuckle	3828	(-1923)
LTD	3836	(-1931)

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ALLIED CEMENTING CO., INC.
 P.O. BOX 31
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566



 * INVOICE *

Invoice Number: 096304

Invoice Date: 03/23/05

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

Cust. I.D.....: Palo
 P.O. Number...: Alpers #1
 P.O. Date.....: 03/23/05

Due Date.: 04/22/05
 Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	75.00	SKS	8.3000	622.50	T
Pozmix	50.00	SKS	4.5000	225.00	T
Gel	6.00	SKS	13.0000	78.00	T
Handling	131.00	SKS	1.5000	196.50	T
Mileage mi.chjq.	1.00	MILE	165.0000	165.00	T
Rotary Plug	1.00	JOB	620.0000	620.00	T
Mileage pmp trk	17.00	MILE	4.5000	76.50	T
Dryhole 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 \$ 201.85
 ONLY if paid within 30 days from Invoice Date

Subtotal: 2018.50
 Tax.....: 127.17
 Payments: 0.00
 Total....: 2145.67

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P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE ORDER
Dr Bond
3-18-05 13-19-05

3-18-05	SEC. 21	TWP. 22	RANGE 13	CALLED OUT 4:00 PM	ON LOCATION 10:00 PM	JOB START 10:20 PM	JOB FINISH 12:15 AM
WELL # 1				LOCATION 281 & K-19 25, 1/8 W, 5/16 S into		COUNTY Stafford	STATE Ks

CONTRACTOR Stirling #1
 TYPE OF JOB Rotary Plug
 PIPE SIZE 7 7/8" C.D. 3839'
 PIPE SIZE _____ DEPTH _____
 PIPE SIZE _____ DEPTH _____
 PIPE SIZE 4 1/2" DEPTH 800'
 PIPE SIZE _____ DEPTH _____
 PRESS. MAX _____ MINIMUM _____
 PRESS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 SURFS. _____
 DISPLACEMENT _____

OWNER Same
 CEMENT AMOUNT ORDERED 125 cu 60/40 1620 net

COMMON	<u>TSM</u>	@	<u>8.20</u>	<u>622.50</u>
POZMIX	<u>SD net</u>	@	<u>4.50</u>	<u>225.00</u>
GEL	<u>6 net</u>	@	<u>13.00</u>	<u>78.00</u>
CHLORIDE		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>13/ net</u>	@	<u>1.50</u>	<u>196.50</u>
MILEAGE	<u>13/ net SS</u>	@	<u>17.00</u>	<u>165.00</u>
				TOTAL <u>1287.00</u>

EQUIPMENT
 PUMP TRUCK CEMENTER Tam D
120 HELPER Bob B
 BULK TRUCK DRIVER Don Auger
342 DRIVER _____
 BULK TRUCK DRIVER _____

REMARKS:
Mixed - 50 cu @ 800'
50 cu @ 350'
10 cu @ 40'
15 cu in Bottle

SERVICE

DEPTH OF JOB	<u>800'</u>		
PUMP TRUCK CHARGE			<u>620.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>17</u>	@	<u>4.50</u> <u>76.50</u>
PLUG	<u>1-8 5/8 Auger</u>	@	<u>35.00</u> <u>35.00</u>
		@	
		@	

CHARGE TO: Palomino Petroleum
 STREET _____
 CITY _____ STATE _____ ZIP _____

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 KCC WICHITA EQUIPMENT

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.

TAX	_____
TOTAL CHARGE	_____
DISCOUNT	_____ IF PAID IN 30 DAYS
TOTAL	_____

SIGNATURE X Romi Saloya X Lonnie Saloya
 PRINTED NAME _____