

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. _____

<u>2/10/07</u>	<u>2/18/07</u>	<u>2/18/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24606-0000
County: Ness
 S/2 SE SW Sec. 35 Twp. 16 S. R. 25 East West
330 feet from (S) N (circle one) Line of Section
1830 feet from E / (W) (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW (SW)
Lease Name: Burrell Well #: 1

Field Name: None (Wildcat)
Producing Formation: None
Elevation: Ground: 2465 Kelly Bushing: 2475
Total Depth: 4513 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 218 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 PA AH II NH 6-30-08
(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. 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: March 6, 2007

Subscribed and sworn to before me this 6th day of March,
20 07

Notary Public State of Kansas
Carla R. Penwell
Carla R. Penwell
My Comm. Expires October 6, 2009
My Appl. Expires 10-6-09

KCC Office Use ONLY

N Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

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Operator Name: Palomino Petroleum, Inc. Lease Name: Burrell Well #: 1
 Sec. 35 Twp. 16 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.	1838 (+ 637)
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Base Anhy.	1866 (+ 609)
List All E. Logs Run:		Topeka	3542 (-1067)
Radiation Guard		Heebner	3811 (-1336)
		LKC	3850 (-1375)
		BKC	4149 (-1674)
		Marmaton	4198 (-1723)
		Pawnee	4277 (-1802)

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 7/8"	20#	218'	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
<input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	RECEIVED MAR 07 2007

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LOGS

Ft. Scott	4350	(-1875)
Cherokee Sh.	4374	(-1899)
Rew. Miss.	4448	(-1973)
Miss.	4462	(-1987)
LTD	4513	(-2038)

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FEB 26 2007

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* I N V O I C E *
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Allied Cementing Co., Inc
P.O. Box 31
Russell, KS 67665

Invoice Number: 106672

Invoice Date: 02/23/07

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

Cust I.D.....: Palo
P.O. Number...: Burrell #1
P.O. Date.....: 02/23/07

Due Date.: 03/25/07
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	153.00	SKS	10.6500	1629.45	T
Pozmix	102.00	SKS	5.8000	591.60	T
Gel	14.00	SKS	16.6500	233.10	T
FloSela	64.00	LBS	2.0000	128.00	T
Handling	271.00	SKS	1.9000	514.90	T
Mileage	24.00	MILE	24.3900	585.36	T
271 sk s@.09 per sk per mi					
Rotary Plug	1.00	JOB	815.0000	815.00	T
Mileage pmp tkr	24.00	MILE	6.0000	144.00	T

All Prices Are Net, Payable 30 Days Following	Subtotal:	4641.41
Date of Invoice. 1 1/2% Charged Thereafter.	Tax.....:	245.99
If Account CURRENT take Discount of <u>464.14</u>	Payments:	0.00
ONLY if paid within 30 days from Invoice Date	Total....:	4887.40

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ALLIED CEMENTING CO., INC.

26585

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

SERVICE POINT:

EB.

DATE <u>2-18-07</u>	SEC <u>35</u>	TWP <u>16s</u>	RANGE <u>25w</u>	CALLED ON <u>9:00 AM</u>	ON LOCATION <u>1:30 PM</u>	JOB START <u>3:00 PM</u>	JOB FINISH <u>4:30 PM</u>
LEASE <u>Burrell</u>	WELL# <u>1</u>	LOCATION <u>Arnold 1w 2nd ge n/s</u>	COUNTY <u>Ness</u>	STATE <u>Ks</u>			
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR <u>Southwind Rig 1</u>	OWNER <u>Palomino Petr</u>
TYPE OF JOB <u>Rotary Plug</u>	
HOLE SIZE _____ T.D. <u>45 15 #</u>	CEMENT
CASING SIZE _____ DEPTH _____	AMOUNT ORDERED <u>255 ⁶⁰/₇₀ 62 gal</u>
TUBING SIZE _____ DEPTH _____	<u>1/2 # Flossal</u>
DRILL PIPE <u>4 1/2</u> DEPTH <u>1870 #</u>	
TOOL _____ DEPTH _____	
PRES. MAX _____ MINIMUM _____	
MEAS. LINE _____ SHOE JOINT _____	
CEMENT LEFT IN CSG. _____	
PERFS. _____	
DISPLACEMENT _____	

EQUIPMENT

PUMP TRUCK	CEMENTER	<u>Mike M.</u>
# <u>120</u>	HELPER	<u>J. D. D.</u>
BULK TRUCK		
# <u>341</u>	DRIVER	<u>Don D.</u>
BULK TRUCK		
# _____	DRIVER	

COMMON	<u>153 lb</u>	@	<u>10.65</u>	<u>1629.45</u>
POZMIX	<u>102.24</u>	@	<u>5.80</u>	<u>591.60</u>
GEL	<u>14 lb</u>	@	<u>16.65</u>	<u>233.10</u>
CHLORIDE		@		
ASC		@		
<u>FLO SEAL</u>	<u>64 #</u>	@	<u>2.00</u>	<u>128.00</u>
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>271.24</u>	@	<u>1.90</u>	<u>514.90</u>
MILEAGE	<u>271.24</u>	@	<u>.24</u>	<u>585.36</u>
				TOTAL <u>3682.41</u>

REMARKS:

50 sk at 1870 ft
80 sk at 1130 ft
40 sk at 500 ft
4 sk at 250 ft
20 sk at 60 ft
10 sk at m H
15 sk at RH

SERVICE

DEPTH OF JOB	<u>1870 ft</u>		
PUMP TRUCK CHARGE			<u>85.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>24</u>	@	<u>6.00</u>
MANIFOLD		@	
		@	
		@	
TOTAL <u>99.00</u>			

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

PLUG & FLOAT EQUIPMENT

	@		
	@		
	@		
	@		
	@		
TOTAL _____			

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.

Thank you
CHD

SIGNATURE Doug Roberts

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS
 PRINTED NAME Doug Roberts

RECEIVED

FEB 17 2007

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* I N V O I C E *
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Allied Cementing Co., Inc
P.O. Box 31

Russell, KS 67665

Invoice Number: 106511

Invoice Date: 02/14/07

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

Cust I.D.....: Palo
P.O. Number...:
P.O. Date.....: 02/14/07

Due Date.: 03/16/07
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	24.00	MILE	15.1200	362.88	E
168 sks @.09 per sk per mi					
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	24.00	MILE	6.0000	144.00	E
Head Rental	1.00	PER	100.0000	100.00	E
Wooden Plug	1.00	EACH	60.0000	60.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of 378.80
ONLY if paid within 30 days from Invoice Date

Subtotal:	3788.03
Tax.....:	108.49
Payments:	0.00
Total....:	3896.52

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ALLIED CEMENTING CO., INC.

26388

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

SERVICE POINT:
Great Bend

DATE <u>2-10-07</u>	SEC. <u>35</u>	TWP. <u>16S</u>	RANGE <u>25W</u>	CALLED OUT	ON LOCATION <u>10:00 PM</u>	JOB START <u>10:00 PM</u>	JOB FINISH <u>11:00 PM</u>
LEASE <u>lurel</u>	WELL # <u>1</u>	LOCATION <u>Arnold 1w, 2S, East side</u>			COUNTY <u>Ness</u>	STATE <u>Ks</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR Southwind Drilling #1

TYPE OF JOB Surface job

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

CASING SIZE 8 3/8 20# DEPTH 221'

TUBING SIZE DEPTH

DRILL PIPE 4 1/2" DEPTH

TOOL DEPTH

PRES. MAX 200 # PSI MINIMUM —

MEAS. LINE SHOE JOINT 15'

CEMENT LEFT IN CSG. 15'

PERFS.

DISPLACEMENT 13 1/4 BBLs of freshwater

OWNER Balamino Petroleum

CEMENT

AMOUNT ORDERED 160 SK Common 3% CC
2% Gel

COMMON	<u>160 SK</u>	@	<u>10.65</u>	<u>1704.00</u>
POZMIX		@		
GEL	<u>3 SK</u>	@	<u>16.65</u>	<u>49.95</u>
CHLORIDE	<u>5 SK</u>	@	<u>46.60</u>	<u>233.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>168 SK</u>	@	<u>6.90</u>	<u>39.20</u>
MILEAGE	<u>168 SK 09</u>		<u>24</u>	<u>362.88</u>
TOTAL				<u>2669.03</u>

EQUIPMENT

PUMP TRUCK CEMENTER Rick H.

120 HELPER Brandon R.

BULK TRUCK

260 DRIVER Steve T.

BULK TRUCK

DRIVER

REMARKS:

pipe on bottom break circulation mixed
160 SK Common 3% CC, 2% Gel shutdown
Released plug displaced 160/13 1/4 BBLs of
freshwater and shut in.

Cement did circulate!

CHARGE TO: Balamino Petroleum

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB	<u>221'</u>		
PUMP TRUCK CHARGE			<u>85.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>24</u>	@	<u>6.00 144.00</u>
MANIFOLD	<u>Head Rent</u>	@	<u>100.00 100.00</u>
		@	
		@	
TOTAL <u>1059.00</u>			

PLUG & FLOAT EQUIPMENT

<u>8 3/8 Wooden plug</u>	<u>60.00</u>	<u>60.00</u>
	@	
	@	
	@	
	@	
	@	
TOTAL <u>60.00</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.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE X Doug Roberts RECEIVED

PRINTED NAME _____

Thanks!