

STATE CORPORATION COMMISSION OF KANSAS
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
ACO-1 WELL HISTORY
DESCRIPTION OF WELL AND LEASE

API NO. 15- 135-24120-0000 ORIGINAL

County Ness
- SW - SW - SW Sec. 24 Twp. 17 Rge. 26 X ^E _W

330 Feet from S (circle one) Line of Section
330 Feet from E (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
NE, SE, NW or SW (circle one)

Lease Name Lee Norton Well # 1
Field Name Lazy 17 West

Producing Formation Mississippi
Elevation: Ground 2456 KB 2461

Total Depth 4462 PBTD _____
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 R+A KGR 7/18/07
(Data must be collected from the Reserve Pit)

_____ ppm Fluid volume _____ bbls
Watering method used _____

Location of fluid disposal if hauled offsite:
Operator Name _____

Lease Name _____ License No. _____
Quarter Sec. Twp. S Rng. E/W
County _____ Docket No. _____

Operator: License # 30742

Name: Palomino Petroleum, Inc.

Address 4924 SE 84th St.

City/State/Zip Newton, KS 67114-8827

Purchaser: _____

Operator Contact Person: Klee R. Watchous

Phone (316) 799-1000

Contractor: Name: Pickrell Drilling Company

License: 5123

Wellsite Geologist: James W. Thompson

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:
Operator: _____
Well Name: _____

Comp. Date _____ Old Total Depth _____
_____ Deepening _____ Re-perf. _____ Conv. to Inj/SWD
_____ Plug Back _____ PBTD
_____ Commingled _____ Docket No. _____
_____ Dual Completion _____ Docket No. _____
_____ Other (SWD or Inj?) _____ Docket No. _____

11-16-00 11-25-00 11-25-00
Spud Date Date Reached TD Completion Date

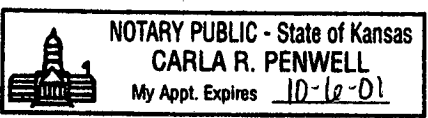
INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information on side 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 12-8-00

Subscribed and sworn to before me this 8th day of December, 2000.

Notary Public Carla R. Penwell
Carla R. Penwell
Date Commission Expires 10-6-01



K.C.C. OFFICE USE ONLY
F Letter of Confidentiality Attached
C Wireline Log Received
C Geologist Report Received
Distribution
KCC _____ SWD/Rep _____ NGPA _____
KGS _____ Plug _____ Other _____
(Specify)

Operator Name Palomino Petroleum, Inc. Lease Name Lee Norton Well # 1

Sec. 24 Twp. 17S Rge. 26 East County Ness

West

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all drill stem 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 during test. Attach extra sheet if more space is needed. Attach copy of log.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Attach Additional Sheets.) Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" 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 (Submit Copy.) List All E.Logs Run: Radiation Guard Log	<input checked="" type="checkbox"/> Log <input type="checkbox"/> Sample Formation (Top), Depth and Datums <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Top</th> <th style="text-align: left;">Datum</th> </tr> </thead> <tbody> <tr> <td>ELI Wireline Services</td> <td></td> <td></td> </tr> <tr> <td>Anhy.</td> <td>1800</td> <td>(+ 661) to 1834</td> </tr> <tr> <td>Topeka</td> <td>3488</td> <td>(-1027)</td> </tr> <tr> <td>Heeb.</td> <td>3760</td> <td>(-1299)</td> </tr> <tr> <td>LKC</td> <td>3801</td> <td>(-1340)</td> </tr> <tr> <td>Marm.</td> <td>4168</td> <td>(-1707)</td> </tr> <tr> <td>Ft. Scott</td> <td>4314</td> <td>(-1853)</td> </tr> <tr> <td>Miss.</td> <td>4410</td> <td>(-1949)</td> </tr> <tr> <td>LTD</td> <td>4460</td> <td>(-1999)</td> </tr> </tbody> </table>	Name	Top	Datum	ELI Wireline Services			Anhy.	1800	(+ 661) to 1834	Topeka	3488	(-1027)	Heeb.	3760	(-1299)	LKC	3801	(-1340)	Marm.	4168	(-1707)	Ft. Scott	4314	(-1853)	Miss.	4410	(-1949)	LTD	4460	(-1999)
Name	Top	Datum																													
ELI Wireline Services																															
Anhy.	1800	(+ 661) to 1834																													
Topeka	3488	(-1027)																													
Heeb.	3760	(-1299)																													
LKC	3801	(-1340)																													
Marm.	4168	(-1707)																													
Ft. Scott	4314	(-1853)																													
Miss.	4410	(-1949)																													
LTD	4460	(-1999)																													

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#	218'	Pozmix	170	60-40 2% gel 3% CC

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		pozmix	235-total	60-40 pozmix, 6% gel w/1/4#FC/sack

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 type="checkbox"/> No
Date of First, Resumed Production, SMD or Inj.		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) _____

ALLIED CEMENTING CO., INC.

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

ORIGINAL
 INVOICE

Invoice Number: 082834

Invoice Date: 11/25/00

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

Cust. I.D.: Palo
 P.O. Number ...: Lee Norton #1
 P.O. Date: 11/25/00

Due Date: 12/25/00
 Terms: Net 30

Item I.D. / Desc.	Qty. Used	Unit	Price	Net	TX
Common	141.00	SKS	6.3500	895.35	E
Pozmix	94.00	SKS	3.2500	305.50	E
Gel	12.00	SKS	9.5000	114.00	E
FloSeal	59.00	LBS	1.1500	67.85	E
Handling	235.00	SKS	1.0500	246.75	E
Mileage (20)	20.00	MILE	9.4000	188.00	E
235 sks @ 0.80 per sk per mi					
Rotary Plug	1.00	JOB	470.0000	470.00	E
Mileage pmp trk	20.00	MILE	3.0000	60.00	E
Top wood	1.00	EACH	23.0000	23.00	E

All Prices Are Net, Payable 30 Days Following
 Date of Invoice, 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of \$ 27.00 /
 ONLY if paid within 30 days from Invoice Date

Subtotal: 2370.45
 Tax: 0.00
 Payments: 0.00
 Total: 2370.45

RECEIVED
 STATE CORPORATION COMMISSION
 DEC 11 2000
 CONSERVATION DIVISION
 Wichita, Kansas

ALLIED CEMENTING CO., INC. ORIGINAL 5807

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

SERVICE POINT:
At Bend

DATE <u>11-25-00</u>	SEC. <u>24</u>	TWP. <u>17</u>	RANGE <u>26</u>	CALLED OUT <u>6:30pm</u>	ON LOCATION <u>9:30pm</u>	JOB START <u>10:50pm</u>	JOB FINISH <u>1:30am</u>
LEASE <u>Lee</u> <u>Newton</u>	WELL# <u>1</u>	LOCATION <u>Assoc city 10w 7N 3W N.S</u>			COUNTY <u>Neosho</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR Pickrell Drilling # 10
 TYPE OF JOB Rotary Plus
 HOLE SIZE 7 7/8 T.D. 4462
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER Palomino Pet Inc.

CEMENT
AMOUNT ORDERED
235 6 3/4 6 3/4 Hal 1/4 # 7 lb seal per 5

COMMON	<u>141 qt</u>	@	<u>6.35</u>	<u>895.35</u>
POZMIX	<u>94 qt</u>	@	<u>3.25</u>	<u>305.50</u>
GEL	<u>12 qt</u>	@	<u>9.50</u>	<u>114.00</u>
CHLORIDE		@		
<u>7 lb seal</u>	<u>59</u>	@	<u>1.15</u>	<u>67.85</u>
		@		
		@		
		@		
		@		
HANDLING	<u>235 qt</u>	@	<u>1.05</u>	<u>246.75</u>
MILEAGE	<u>20</u>			<u>188.00</u>
TOTAL				<u>1817.45</u>

EQUIPMENT

PUMP TRUCK # <u>120</u>	CEMENTER <u>d. w. kerr</u>
BULK TRUCK # <u>260</u>	HELPER <u>stone</u>
BULK TRUCK # _____	DRIVER <u>d. w. kerr</u>
BULK TRUCK # _____	DRIVER _____

REMARKS:

50s x e 1840'
80s x e 1140
40s x e 610
40s x e 235
10s x e 40
15s RH.
Thanks

SERVICE

DEPTH OF JOB	<u>1840</u>			
PUMP TRUCK CHARGE			<u>470.00</u>	
EXTRA FOOTAGE		@		
MILEAGE	<u>20</u>	@	<u>3.00</u> <u>60.00</u>	
PLUG	<u>TOP WOOD</u>	@	<u>23.00</u> <u>23.00</u>	
		@		
		@		
TOTAL				<u>553.00</u>

CHARGE TO: Palomino Pet Inc.
 STREET 4924 SE 84th ST
 CITY Newton STATE KS ZIP 67114-8827

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.

SIGNATURE Mike Kern

TAX _____
 TOTAL CHARGE 2370.45
 DISCOUNT 237.04 IF PAID IN 30 DAYS
Net 2133.41
Mike Kern
 PRINTED NAME

SWIFT SERVICES, INC.

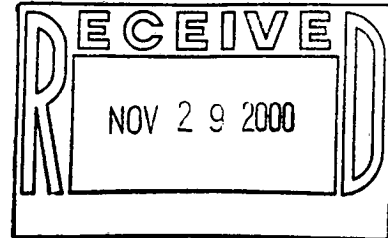
PO BOX 466

NESS CITY, 67560-0466

ORIGINAL **Invoice**

DATE	INVOICE #
11/16/00	2862

BILL TO
Palomino Petroleum Inc. 4924 S E 84th Street Newton, KS 67114-8827



TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Operator	Job Purpose
Net 30	1	Lee Norton	Ness		Oil	Development	Lenny	Surface

PRICE REFERE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
575D	Milage	30	2.50	75.00
576D-S	Pump Charge - Surface	1	500.00	500.00
326	60/40 Pozmix (2% gel)	170	5.20	884.00T
278	Calcuim Chloride	4	25.00	100.00T
581D	Service Charge Cement	170	1.00	170.00
583D	Drayage	215.09	0.75	161.32
	Subtotal			1,890.32
	Sales Tax		4.90%	48.22

Thank you for your business.	Total	\$1,938.54
-------------------------------------	--------------	------------



CHARGE TO: *Palomino Pet.*
 ADDRESS:
 CITY, STATE, ZIP CODE:

ORIGINAL

TICKET

№ 2862

PAGE 1 OF 1

SERVICE LOCATIONS/	WELL/PROJECT NO.	LEASE	COUNTY/PARISH	STATE	CITY	DATE	OWNER
1. <i>Ness City</i>	<i>1</i>	<i>Lee Norton</i>	<i>Ness</i>	<i>Ks</i>		<i>11-16-00</i>	<i>Same</i>
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR	RIG NAME/NO.	SHIPPED VIA	DELIVERED TO	ORDER NO.	
3.			<i>Pickrell</i>	<i>105</i>	<i>S. Utica Ks</i>		
4.	WELL TYPE <i>oil</i>	WELL CATEGORY <i>Development</i>	JOB PURPOSE <i>Surface</i>	WELL PERMIT NO.	WELL LOCATION		
REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
<i>575</i>					<i>MILEAGE 105</i>	<i>30</i>	<i>mi</i>			<i>2.50</i>	<i>75.00</i>
<i>576</i>					<i>Pump Charge</i>	<i>1</i>	<i>SA</i>				<i>500.00</i>
<i>326</i>					<i>60/40 2% del</i>	<i>170</i>	<i>SKS</i>			<i>5.20</i>	<i>884.00</i>
<i>278</i>					<i>Calcium Chloride</i>	<i>4</i>	<i>SKS</i>			<i>25.00</i>	<i>100.00</i>
<i>581</i>					<i>Sewer Charge</i>	<i>170</i>					<i>170.00</i>
<i>583</i>					<i>Drayage</i>	<i>215</i>	<i>09</i>	<i>T-M</i>			<i>161.32</i>

LEGAL TERMS: Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

X *Mike Kern*

DATE SIGNED *11-16-00* TIME SIGNED *2:00* A.M. P.M.

REMIT PAYMENT TO:
 SWIFT SERVICES, INC.
 P.O. BOX 466
 NESS CITY, KS 67560
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?			
WE UNDERSTOOD AND MET YOUR NEEDS?			
OUR SERVICE WAS PERFORMED WITHOUT DELAY?			
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?			
ARE YOU SATISFIED WITH OUR SERVICE?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND			

PAGE TOTAL	<i>1890</i>	<i>32</i>
TAX	<i>48</i>	<i>22</i>
TOTAL	<i>1938</i>	<i>54</i>

ORIGINAL

