

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1  
September 1999  
Form Must Be Typed

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: Southwind Drilling, Inc.  
 License: 33350  
 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>12/11/06</u>	<u>12/19/06</u>	<u>12/19/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 065-23260-0000  
 County: Graham  
S/2 - N/2 - SW Sec. 33 Twp. 6 S. R. 22  East  West  
1580 feet from (S) / N (circle one) Line of Section  
1480 feet from E / (W) (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE NW (SW)  
 Lease Name: Nelson-Thurlow Well #: 1  
 Field Name: None (Wildcat)  
 Producing Formation: None  
 Elevation: Ground: 2302 Kelly Bushing: 2312  
 Total Depth: 3995 Plug Back Total Depth: \_\_\_\_\_  
 Amount of Surface Pipe Set and Cemented at 224 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 Alt 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: February 27, 2007  
 Subscribed and sworn to before me this 27th day of February,  
 20 07.

Notary Public Carla R. Penwell  
 CARLA R. PENWELL  
 State of Kansas  
 My Comm. Expires: October 6, 2009  
 My App. Expires: 10-6-09

**KCC Office Use ONLY**  
 Letter of Confidentiality Received  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
**RECEIVED**  
 KANSAS CORPORATION COMMISSION  
 MAR 01 2007

CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Palomino Petroleum, Inc. Lease Name: Nelson-Thurlow Well #: 1  
 Sec. 33 Twp. 6 S. R. 22  East  West County: Graham

**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:  <b>Radiation Guard</b>	<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>1968</td> <td>(+ 344)</td> </tr> <tr> <td>Base Anhy.</td> <td>2002</td> <td>(+ 310)</td> </tr> <tr> <td>Topeka</td> <td>3323</td> <td>(-1011)</td> </tr> <tr> <td>Heebner</td> <td>3520</td> <td>(-1208)</td> </tr> <tr> <td>Toronto</td> <td>3543</td> <td>(-1231)</td> </tr> <tr> <td>LKC</td> <td>3562</td> <td>(-1250)</td> </tr> <tr> <td>BKC</td> <td>3750</td> <td>(-1438)</td> </tr> <tr> <td>Marmaton</td> <td>3792</td> <td>(-1480)</td> </tr> </table>	Name	Top	Datum	Anhy.	1968	(+ 344)	Base Anhy.	2002	(+ 310)	Topeka	3323	(-1011)	Heebner	3520	(-1208)	Toronto	3543	(-1231)	LKC	3562	(-1250)	BKC	3750	(-1438)	Marmaton	3792	(-1480)
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Marmaton	3792	(-1480)																										

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#	224'	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 <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	Production Interval
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**RECEIVED**  
**KANSAS CORPORATION COMMISSION**  
**MAR 01 2007**  
 CONSERVATION DIVISION  
 WICHITA, KS

**LOGS**

Arbuckle	3919	(-1607)
LTD	3995	(-1683)

**RECEIVED**  
**KANSAS CORPORATION COMMISSION**  
**MAR 01 2007**  
**CONSERVATION DIVISION**  
**WICHITA, KS**

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

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\* I N V O I C E \*  
\* \* \* \* \*  
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Invoice Number: 106085

Invoice Date: 12/26/06

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

Cust I.D.....: Palo  
P.O. Number...: NelsonThurlow1  
P.O. Date.....: 12/26/06

Due Date.: 01/25/07  
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	135.00	SKS	10.6500	1437.75	T
Pozmix	90.00	SKS	5.8000	522.00	T
Gel	11.00	SKS	16.6500	183.15	T
FloSeal	54.00	LBS	2.0000	108.00	T
Handling	236.00	SKS	1.9000	448.40	T
Mileage	80.00	MILE	21.2400	1699.20	T
236 sks @.09 per sk per mi					
Plug	1.00	JOB	955.0000	955.00	T
Mileage pmp trk	80.00	MILE	6.0000	480.00	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 586.85  
ONLY if paid within 30 days from Invoice Date

Subtotal:	5868.50
Tax.....:	325.70
Payments:	0.00
Total....:	6194.20

RECEIVED  
KANSAS CORPORATION COMMISSION  
MAR 01 2007  
CONSERVATION DIVISION  
WICHITA, KS

# ALLIED CEMENTING CO., INC.

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

26092  
SERVICE POINT:  
Russell

DATE <u>12-19-06</u>	SEC. <u>33</u>	TWP. <u>6</u>	RANGE <u>22</u>	CALLED OUT	ON LOCATION <u>12:30pm</u>	JOB START <u>1:15pm</u>	JOB FINISH <u>4:00pm</u>
LEASE <u>Nelson</u>	WELL # <u>1</u>	LOCATION <u>Hilcity N 42' - 3w 1/4</u>		COUNTY <u>Graham</u>		STATE <u>KS</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)				<u>Ento</u>			

CONTRACTOR Southwind Drilling #1

TYPE OF JOB Dry Hole Plug

HOLE SIZE \_\_\_\_\_ T.D. 3995

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 \_\_\_\_\_

CEMENT

AMOUNT ORDERED 225 60/40 6% gel #1/4 A10

COMMON	<u>135</u>	@	<u>1065</u>	<u>1437.75</u>
POZMIX	<u>90</u>	@	<u>520</u>	<u>522.00</u>
GEL	<u>11</u>	@	<u>1665</u>	<u>18315</u>
CHLORIDE		@		
ASC		@		
Flossal	<u>54#</u>	@	<u>200</u>	<u>10800</u>
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>236</u>	@	<u>190</u>	<u>44840</u>
MILEAGE	<u>94/SK/mile</u>			<u>1699.20</u>
TOTAL				<u>4398.50</u>

### EQUIPMENT

PUMP TRUCK CEMENTER Craig

# 409 HELPER Adrian

BULK TRUCK

# 345 DRIVER Brandon

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

### REMARKS:

25@ 3900

25@ 1900

100@ 1200

40@ 260

10@ 40

manhole 105x

Rathole 155x

THANKS!

CHARGE TO: Palomino Petroleum

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

### SERVICE

DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>955.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>80</u>	@	<u>600</u>
MANIFOLD		@	
		@	
		@	
TOTAL <u>1435.00</u>			

### PLUG & FLOAT EQUIPMENT

<u>1 8"/8 wooden Dry Hole Plug</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.

GOOD!  
SOB!

THANKS!

SIGNATURE Doug Roberts

TAX \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

DOUG ROBERTS

PRINTED NAME

RECEIVED  
KANSAS CORPORATION COMMISSION

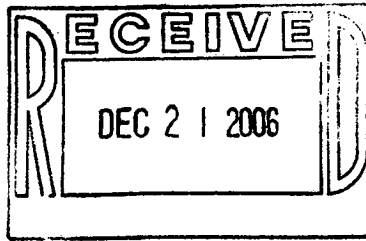
MAR 01 2007

CONSERVATION DIVISION  
WICHITA, KS

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Allied Cementing Co., Inc  
P.O. Box 31

Russell, KS 67665



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\* I N V O I C E \*  
\*\*\*\*\*

Invoice Number: 105948

Invoice Date: 12/18/06

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

Cust I.D.....: Palo  
P.O. Number...: NelsonThurlow1  
P.O. Date.....: 12/18/06

Due Date.: 01/17/07  
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	160.00	SKS	12.2000	1952.00	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	87.00	MILE	15.1200	1315.44	E
168 sks @>09 per sk per mi					
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	87.00	MILE	6.0000	522.00	E
Head Rental	1.00	PER	100.0000	100.00	E
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 536.66  
ONLY if paid within 30 days from Invoice Date

Subtotal: 5366.59  
Tax.....: 127.37  
Payments: 0.00  
Total....: 5493.96

RECEIVED  
KANSAS CORPORATION COMMISSION  
MAR 01 2007  
CONSERVATION DIVISION  
WICHITA, KS

# ALLIED CEMENTING CO., INC. 24478

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

SERVICE POINT:

Onley, KS

DATE <u>12-11-06</u>	SEC. <u>33</u>	TWP. <u>6</u>	RANGE <u>22</u>	CALLED OUT	ON LOCATION <u>11:15pm</u>	JOB START <u>11:30pm</u>	JOB FINISH <u>12:00am</u>
Nelson. Thibodeau LEASE		WELL # <u>#1</u>	LOCATION <u>McIl City 8A (Rd 4)</u>		COUNTY <u>Graham</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)			<u>3E (Rd 300) 1/4 W. E. 2</u>				

CONTRACTOR Southwind #1  
 TYPE OF JOB SURFACE  
 HOLE SIZE 12 1/4 T.D. 227'  
 CASING SIZE 8 5/8 DEPTH 227'  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. 15'  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 13.5 BRTS

**EQUIPMENT**

PUMP TRUCK CEMENTER Fuzzy  
 # 102 HELPER Jarrod  
 BULK TRUCK  
 # 218 DRIVER Kelly  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

**REMARKS:**

cement did circulate

Plug down @ 12:00AM

Thanks Fuzzy & crew

CHARGE TO: Palomino

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

OWNER SAME

CEMENT  
 AMOUNT ORDERED 160 com  
3% cc 2% gel

COMMON	<u>160</u>	@ <u>12<sup>00</sup></u>	<u>1952<sup>00</sup></u>
POZMIX		@	
GEL	<u>3</u>	@ <u>16<sup>65</sup></u>	<u>49<sup>95</sup></u>
CHLORIDE	<u>5</u>	@ <u>46<sup>60</sup></u>	<u>233<sup>00</sup></u>
ASC		@	
		@	
		@	
		@	
		@	
		@	
		@	
		@	
		@	
		@	
HANDLING	<u>168</u>	@ <u>1<sup>90</sup></u>	<u>319<sup>20</sup></u>
MILEAGE	<u>109 x 5 km</u>		<u>1315<sup>44</sup></u>
TOTAL			<u>3869<sup>59</sup></u>

**SERVICE**

DEPTH OF JOB 227'  
 PUMP TRUCK CHARGE 815<sup>00</sup>  
 EXTRA FOOTAGE @ \_\_\_\_\_  
 MILEAGE 87 @ 6<sup>00</sup> 522<sup>00</sup>  
 MANIFOLD + Head @ 100<sup>00</sup>  
 @ \_\_\_\_\_  
 @ \_\_\_\_\_  
 TOTAL 1437<sup>00</sup>

**PLUG & FLOAT EQUIPMENT**

<u>1-8 1/8 plug</u>	@	
	@	<u>60<sup>00</sup></u>
	@	
	@	
	@	
TOTAL		<u>60<sup>00</sup></u>

TAX \_\_\_\_\_  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS  
 SIGNATURE Doug ROBERTS  
 PRINTED NAME

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.

Thanks!

SIGNATURE Doug Roberts



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WICHITA, KS