

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. 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>3/14/07</u>	<u>3/23/07</u>	<u>3/23/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24618-0000
County: Ness
SE SW NE Sec. 29 Twp. 17 S. R. 23 East West
2460 feet from S / (N) (circle one) Line of Section
1530 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) (NE) SE NW SW
Lease Name: Nyle Well #: 1
Field Name: None (Wildcat)
Producing Formation: None
Elevation: Ground: 2353 Kelly Bushing: 2363
Total Depth: 4497 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 223 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 7-14-08
(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: July 6, 2007
Subscribed and sworn to before me this 6th day of July,
20 07.

Notary Public: Carla R. Penwell
NOTARY PUBLIC - State of Kansas
Date Commission Expires: October 6, 2009
My Appt. 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

RECEIVED
KANSAS CORPORATION COMMISSION
JUL 11 2007

Operator Name: Palomino Petroleum, Inc. Lease Name: Nyle Well #: 1
 Sec. 29 Twp. 17 S. R. 23 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 <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: Dual Induction, Sonic, Compensated Neutron/ Density PE, Micro	<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:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Anhy.</td> <td>1651</td> <td>(+ 712)</td> </tr> <tr> <td>Base Anhy.</td> <td>1686</td> <td>(+ 677)</td> </tr> <tr> <td>Topeka</td> <td>3454</td> <td>(-1091)</td> </tr> <tr> <td>Heebner</td> <td>3744</td> <td>(-1381)</td> </tr> <tr> <td>LKC</td> <td>3784</td> <td>(-1421)</td> </tr> <tr> <td>BKC</td> <td>4071</td> <td>(-1708)</td> </tr> <tr> <td>Marmaton</td> <td>4113</td> <td>(-1750)</td> </tr> <tr> <td>Pawnee</td> <td>4180</td> <td>(-1817)</td> </tr> </table>	Name	Top	Datum	Anhy.	1651	(+ 712)	Base Anhy.	1686	(+ 677)	Topeka	3454	(-1091)	Heebner	3744	(-1381)	LKC	3784	(-1421)	BKC	4071	(-1708)	Marmaton	4113	(-1750)	Pawnee	4180	(-1817)
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Pawnee	4180	(-1817)																										

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#	223'	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 <div style="text-align: right;"> RECEIVED KANSAS CORPORATION COMMISSION JUL 11 2007 </div>
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LOGS

Ft. Scott	4276	(-1913)
Cherokee Sh.	4291	(-1928)
Cherokee Sd.	4351	(-1988)
Miss.	4382	(-2019)
LTD	4497	(-2134)

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 11 2007

CONSERVATION

RECEIVED

MAR 31 2007

Allied Cementing Co., LLC
24 S. Lincoln
P.O. Box 31
Russell, KS 67665

* I N V O I C E *

Invoice Number: 108082

Invoice Date: 03/23/07

Page: 1

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

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

Ship Via.:
Ship Date: 03/28/07
Due Date.: 03/23/07
Terms.....:

Cust I.D.....: Palo
P.O. Number...: Nyle #1
P.O. Date.....: 03/28/07
Job/Order No.:
Salesperson...:

Item I.D./Desc.	Ordered	Shipped	Unit	Price	Net	TX
Common	165.00	165.00	SKS	10.6500	1757.25	T
Pozmix	110.00	110.00	SKS	5.8000	638.00	T
Gel	14.00	14.00	SKS	16.6500	233.10	T
FloSeal	69.00	69.00	LBS	2.0000	138.00	T
Handling	292.00	292.00	SKS	1.9000	554.80	T
Mileage min.	1.00	1.00	MILE	240.0000	240.00	T
Rotary Plug	1.00	1.00	JOB	815.0000	815.00	T
Mileage pmp trk	9.00	9.00	MILE	6.0000	54.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of 443.01
ONLY if paid within 30 days from Invoice Date

Subtotal: 4430.15
Tax.....: 234.80
Payments: 0.00
Total....: 4664.95

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 11 2007

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC.

30140

Federal Tax I.D.

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

SERVICE POINT:
M.B.

DATE <u>3-23-07</u>	SEC. <u>29</u>	TWP. <u>17</u>	RANGE <u>23</u>	CALLED OUT <u>3 AM</u>	ON LOCATION <u>10 AM</u>	JOB START <u>1 PM</u>	JOB FINISH <u>2 PM</u>
LEASE <u>Nyle</u>	WELL # <u>1</u>	LOCATION <u>Nass city 7 1/2 miles S. W/3</u>			COUNTY <u>Ness</u>	STATE <u>K.S.</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR Southwind Rig #1

TYPE OF JOB Rotary Plug

HOLE SIZE _____ T.D. 4500 ft

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 DEPTH 1700 ft

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT AMOUNT ORDERED 275 60/40 6 1/2 gal 1/4 fl oz

EQUIPMENT

PUMP TRUCK # 120 CEMENTER Mike m. HELPER Dwayne w.

BULK TRUCK # 260 DRIVER Steve T.

BULK TRUCK # _____ DRIVER _____

COMMON	<u>165</u>	@	<u>10.65</u>	<u>1757.25</u>
POZMIX	<u>110</u>	@	<u>5.80</u>	<u>638.00</u>
GEL	<u>14</u>	@	<u>16.65</u>	<u>233.10</u>
CHLORIDE		@		
ASC		@		
<u>FRO SEAL</u>	<u>69</u>	@	<u>2.00</u>	<u>138.00</u>
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>292</u>	@	<u>1.90</u>	<u>554.80</u>
MILEAGE	<u>292</u>	@	<u>9 M</u>	<u>240.00</u>
TOTAL				<u>3561.15</u>

REMARKS:

- 50 at 1700 ft
- 80 at 950 ft
- 50 at 450 ft
- 50 at 240 ft
- 20 at 60 ft
- 15 at BH
- 10 at MH

SERVICE

DEPTH OF JOB	<u>1700 ft</u>		
PUMP TRUCK CHARGE			<u>815.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>9</u>	@	<u>600</u> <u>54.00</u>
MANIFOLD		@	
		@	
		@	
TOTAL <u>869.00</u>			

CHARGE TO: Palomino Ref

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

	@	
	@	
	@	
	@	
	@	

TOTAL _____

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Rory Wheeler

Rory WHEELER
PRINTED NAME

*Thank you
off*

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.

RECEIVED
KANSAS CORPORATION COMMISSION
JUL 11 2007
CONSERVATION DIVISION
WICHITA, KS

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

RECEIVED
MAR 24 2007

* I N V O I C E *

Invoice Number: 106959

Invoice Date: 03/20/07

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

Cust I.D.....: Palo
P.O. Number...: Nyle #1
P.O. Date.....: 03/20/07

Due Date.: 04/19/07
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
Sugar	100.00	LBS	1.0000	100.00	T
Handling	168.00	SKS	1.9000	319.20	E
Mielage min.	1.00	MILE	240.0000	240.00	E
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	9.00	MILE	6.0000	54.00	E
Head Rent	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 367.51
ONLY if paid within 30 days from Invoice Date

Subtotal:	3675.15
Tax.....:	113.79
Payments:	0.00
Total....:	3788.94

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 11 2007

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC.

30129

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

SERVICE POINT:

el. R.

DATE <i>3-14-07</i>	SEG <i>29</i>	TWP <i>17</i>	RANGE <i>23</i>	CALLED OUT <i>12:00 PM</i>	ON LOCATION <i>1:00 PM</i>	JOB START <i>1:00 PM</i>	JOB FINISH <i>5:00 PM</i>
LEASE <i>Nyle</i>	WELL # <i>1</i>	LOCATION <i>Nuss City 7 1/2 E 1/2 S 41 S</i>				COUNTY <i>Nuss</i>	STATE <i>K.S.</i>
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR *Southwind Rig #1*

TYPE OF JOB *Surface*

HOLE SIZE *12 1/4* T.D. *225 #*

CASING SIZE *8 3/4* DEPTH *226 #*

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. *15 #*

PERFS.

DISPLACEMENT *13.66L*

OWNER

CEMENT AMOUNT ORDERED *160 # Common*
32cc 28 gel

COMMON	<i>160 #</i>	@	<i>10.65</i>	<i>1704.00</i>
POZMIX		@		
GEL	<i>32cc</i>	@	<i>16.65</i>	<i>49.95</i>
CHLORIDE	<i>5 #</i>	@	<i>46.60</i>	<i>233.00</i>
ASC		@		
		@		
<i>SUGAR</i>	<i>100 #</i>	@	<i>1.00</i>	<i>100.00</i>
		@		
		@		
		@		
		@		
		@		
HANDLING	<i>168 #</i>	@	<i>1.90</i>	<i>319.20</i>
MILEAGE	<i>168 #</i>	@	<i>1.40</i>	<i>240.00</i>
TOTAL				<i>2646.15</i>

EQUIPMENT

PUMP TRUCK # *181* CEMENTER *Mike M*
HELPER *Randy*

BULK TRUCK # *341* DRIVER *Steve*

BULK TRUCK # DRIVER

REMARKS:

Circulate Hols with Rig Pump
7-8 PM
Mix Cement + Release Plug
Displace Plug Down w. 72
Water

Cement did circulate
to surface

CHARGE TO: *Palomino Pct.*

STREET

CITY STATE ZIP

Thank you
DR

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!
Doug Roberts

SIGNATURE

SERVICE

DEPTH OF JOB *226 #*

PUMP TRUCK CHARGE *815.00*

EXTRA FOOTAGE @

MILEAGE *9* @ *6.00* *54.00*

MANIFOLD @

HEAD RENTAL @ *100.00* *100.00*

TOTAL *969.00*

PLUG & FLOAT EQUIPMENT

1-8 1/2 wooden Plug *60.00* *60.00*

@

@

@

@

TOTAL *60.00*

TAX

TOTAL CHARGE

DISCOUNT IF PAID IN 30 DAYS

Doug Roberts
PRINTED NAME

~~CONFIDENTIAL~~

RECEIVED
KANSAS CORPORATION COMMISSION
JUL 11 2007
CONSERVATION DIVISION
WICHITA, KS