

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 Street  
 City/State/Zip: Newton, Kansas 67114  
 Purchaser: none  
 Operator Contact Person: Klee R. Watchous  
 Phone: (316) 799-1000  
 Contractor: Name: WW Drilling, LLC  
 License: 33575  
 Wellsite Geologist: Jon (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>12/19/06</u>	<u>01/01/07</u>	<u>01/01/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24579-00-00  
 County: Ness  
 \_\_\_\_\_ NW \_\_\_\_\_ SW \_\_\_\_\_ Sec. 33 Twp. 17 S. R. 24  East  West  
850 feet from  S / N (circle one) Line of Section  
420 feet from E /  W (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE NW  SW  
 Lease Name: Gantz Trust Well #: 1  
 Field Name: Keilman SE  
 Producing Formation: none  
 Elevation: Ground: 2336 Kelly Bushing: 2341  
 Total Depth: 4430 Plug Back Total Depth: \_\_\_\_\_  
 Amount of Surface Pipe Set and Cemented at 219 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 A 11 IN #6-18-08  
 (Data must be collected from the Reserve Pit)  
 Chloride content \_\_\_\_\_ ppm Fluid volume \_\_\_\_\_ bbls  
 Dewatering method used Air Dry -- Backfill  
 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: January 10, 2007  
 Subscribed and sworn to before me this 10th day of January  
20 07  
 Notary Public: Carla R. Penwell  
 Carla R. Penwell

NOTARY PUBLIC - State of Kansas  
 Date Commission Expires: October 6, 2009



CARLA R. PENWELL

My Appt. 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

JAN 11 2007

CONSERVATION DIVISION  
 WICHITA, KS

Operator Name: Palomino Petroleum, Inc. Lease Name: Gantz Trust Well #: 1  
 Sec. 33 Twp. 17 S. R. 24  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 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 <i>(Submit Copy)</i>  List All E. Logs Run: <b>Dual Induction, Dual Compensated Porosity, Micro</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>1629</td> <td>(+ 712)</td> </tr> <tr> <td>Base Anhy.</td> <td>1659</td> <td>(+ 682)</td> </tr> <tr> <td>Topeka</td> <td>3415</td> <td>(-1074)</td> </tr> <tr> <td>Heebner</td> <td>3695</td> <td>(-1354)</td> </tr> <tr> <td>LKC</td> <td>3726</td> <td>(-1385)</td> </tr> <tr> <td>BKC</td> <td>4040</td> <td>(-1699)</td> </tr> <tr> <td>Marmaton</td> <td>4084</td> <td>(-1743)</td> </tr> <tr> <td>Pawnee</td> <td>4164</td> <td>(-1823)</td> </tr> <tr> <td>Ft. Scott</td> <td>4246</td> <td>(-1905)</td> </tr> </table>	Name	Top	Datum	Anhy.	1629	(+ 712)	Base Anhy.	1659	(+ 682)	Topeka	3415	(-1074)	Heebner	3695	(-1354)	LKC	3726	(-1385)	BKC	4040	(-1699)	Marmaton	4084	(-1743)	Pawnee	4164	(-1823)	Ft. Scott	4246	(-1905)
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Ft. Scott	4246	(-1905)																													

CASING RECORD <input 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#	219	Common	180	3%cc, 2% gel

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 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**  
**KANSAS CORPORATION COMMISSION**  
**JAN 11 2007**  
**CONSERVATION DIVISION**  
**WICHITA, KS**

**LOGS**

Cherokee Sh. 4272 (-1931)  
Cherokee Sd. 4335 (-1994)  
Miss. Chert 4384 (-2043)  
LTD 4436 (-2095)

**RECEIVED**  
**KANSAS CORPORATION COMMISSION**  
**JAN 11 2007**  
**CONSERVATION DIVISION**  
**WICHITA, KS**

# ALLIED CEMENTING CO., INC.

Federal Tax I.D.

26354

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

SERVICE POINT:  
C-5007 Brand KS.

DATE <u>1-1-07</u>	SEC. <u>23</u>	TWP. <u>17s</u>	RANGE <u>24'W</u>	CALLED OUT <u>11:30 A.M.</u>	ON LOCATION <u>4:00 P.M.</u>	JOB START <u>6:57.00</u>	JOB FINISH <u>8:00</u>
LEASE <u>Bonitz</u>		WELL # <u>1</u>	LOCATION <u>Ness City HW 5 1/4 N</u>		COUNTY <u>Ness</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)			<u>E.I.N.T.C.</u>				

CONTRACTOR WW Drilling #2 OWNER Palomino Petroleum

TYPE OF JOB Plug

HOLE SIZE <u>7 7/8</u>	T.D. <u>1680</u>
CASING SIZE	DEPTH
TUBING SIZE	DEPTH
DRILL PIPE <u>4 1/2</u>	DEPTH
TOOL	DEPTH
PRES. MAX <u>---</u>	MINIMUM <u>---</u>
MEAS. LINE	SHOE JOINT <u>---</u>
CEMENT LEFT IN CSG. <u>---</u>	
PERFS.	
DISPLACEMENT <u>Fresh water &amp; Mud</u>	

CEMENT  
AMOUNT ORDERED 255 SX 60/40/1.1  
1/4 # Flo-Seal

COMMON	@	_____
POZMIX	@	_____
GEL	@	_____
CHLORIDE	@	_____
ASC	@	_____
_____	@	_____
_____	@	_____
_____	@	_____
_____	@	_____
_____	@	_____

**RECEIVED**  
KANSAS CORPORATION COMMISSION  
**JAN 11 2007**  
CONSERVATION DIVISION  
WICHITA, KS

**EQUIPMENT**

PUMP TRUCK	CEMENTER <u>David W.</u>
# <u>224</u>	HELPER <u>Rick H.</u>
BULK TRUCK	
# <u>357</u>	DRIVER <u>Don D.</u>
BULK TRUCK	
# _____	DRIVER _____

HANDLING \_\_\_\_\_ @ \_\_\_\_\_

MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

**REMARKS:**

1680 FT 50 SX CEMENT  
900 FT 80 SX CEMENT  
450 FT 40 SX CEMENT  
251 FT 50 SX CEMENT  
60 FT 15 SX CEMENT  
BAT & MUD 25 SX CEMENT

**SERVICE**

DEPTH OF JOB 1680 FT

PUMP TRUCK CHARGE \_\_\_\_\_

EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_

MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

MANIFOLD \_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

CHARGE TO: Palomino Petroleum

STREET \_\_\_\_\_

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

TOTAL \_\_\_\_\_

**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.

TAX \_\_\_\_\_

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

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

SIGNATURE [Signature]

[Signature]  
PRINTED NAME

RECEIVED

JAN 03 2007

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

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

Invoice Number: 106034

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...: Gantz TR #1  
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	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 min.	1.00	MILE	240.0000	240.00	E
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	10.00	MILE	6.0000	60.00	E
Head Rental	1.00	PER	100.0000	100.00	E
Top Wood	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 358.11  
ONLY if paid within 30 days from Invoice Date

Subtotal:	3581.15
Tax.....:	108.49
Payments:	0.00
Total....:	3689.64

# ALLIED CEMENTING CO., INC.

Federal Tax I.D.#

26335

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

SERVICE POINT: Ness City

DATE <u>12-19-06</u>	SEC <u>33</u>	TWP. <u>17</u>	RANGE <u>24</u>	CALLED OUT <u>12:00 PM</u>	ON LOCATION <u>4:00 PM</u>	JOB START <u>9:00 AM</u>	JOB FINISH <u>10:00 PM</u>
LEASE <u>Gantz trust</u>	WELL # <u>1</u>	LOCATION <u>Ness City 4W, 54N, E/S</u>			COUNTY <u>Ness</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR W-W Drilling Rig #12  
 TYPE OF JOB Surface  
 HOLE SIZE 12 1/4" T.D. 221'  
 CASING SIZE 8 5/8" DEPTH 219'  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4 1/2" DEPTH 221'  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX 200# MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT 15'  
 CEMENT LEFT IN CSG. 15'  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 13 BBL'S of fresh water

OWNER Palamino Petroleum  
 CEMENT AMOUNT ORDERED 160 SK Common 3% CL 2 1/2 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>1.90</u>	<u>319.20</u>
MILEAGE	<u>168 SK @ 10 MI</u>			<u>240.00</u>
TOTAL				<u>2546.15</u>

EQUIPMENT  
 PUMP TRUCK CEMENTER Rick H.  
 # 224 HELPER T.M. W.  
 BULK TRUCK DRIVER Steve T.  
 # 260  
 BULK TRUCK DRIVER \_\_\_\_\_  
 # \_\_\_\_\_

REMARKS:  
pipe on bottom broke circulation  
Mixed 160 sk Common 3% CL, 2 1/2 Gel  
Shot down Released plug displaced  
w/ 13 BBL'S of fresh water  
Cement did circulate

SERVICE

DEPTH OF JOB	<u>219'</u>		
PUMP TRUCK CHARGE			<u>85.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>10</u>	@	<u>6.00</u>
MANIFOLD	<u>Went Right</u>	@	<u>100.00</u>
TOTAL <u>975.00</u>			

CHARGE TO: Palamino Petroleum  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

PLUG & FLOAT EQUIPMENT

1-Top 8 5/8" Wood	@	<u>60.00</u>	<u>60.00</u>
	@		
	@		
	@		
	@		
TOTAL <u>60.00</u>			

To Allied Cementing Co., Inc.  
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TAX \_\_\_\_\_  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

SIGNATURE X [Signature] PRINTED NAME Mary Mills