

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

Form ACO-1  
September 1999  
Form Must Be Typed

**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     SIOW     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>12/06/07</u>	<u>12/16/07</u>	<u>12/16/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

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FEB 22 2008  
CONSERVATION DIVISION  
WICHITA, KS**

API No. 15 - 101-22061 - 00-00  
 County: Lane  
C SE SW Sec. 17 Twp. 19 S. R. 28  East  West  
780 feet from (S) N (circle one) Line of Section  
1820 feet from E (W) (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE NW (SW)  
 Lease Name: Helen Well #: 2  
 Field Name: Hiney  
 Producing Formation: None  
 Elevation: Ground: 2788 Kelly Bushing: 2798  
 Total Depth: 4718 Plug Back Total Depth: \_\_\_\_\_  
 Amount of Surface Pipe Set and Cemented at 211 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** *AL II with 3-11-08*  
 (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 21, 2008  
 Subscribed and sworn to before me this 21st day of February,  
 20 08.

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

Operator Name: Palomino Petroleum, Inc. Lease Name: Helen Well #: 2  
 Sec. 17 Twp. 19 S. R. 28  East  West County: Lane

**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 border="0" style="width: 100%;"> <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>2134</td> <td>(+ 664)</td> </tr> <tr> <td>Base Anhy.</td> <td>2162</td> <td>(+ 636)</td> </tr> <tr> <td>Topeka</td> <td>3727</td> <td>(- 929)</td> </tr> <tr> <td>Heebner</td> <td>3973</td> <td>(-1175)</td> </tr> <tr> <td>Toronto</td> <td>3990</td> <td>(-1192)</td> </tr> <tr> <td>LKC</td> <td>4014</td> <td>(-1216)</td> </tr> <tr> <td>Stark</td> <td>4303</td> <td>(-1505)</td> </tr> <tr> <td>BKC</td> <td>4382</td> <td>(-1584)</td> </tr> </table>	Name	Top	Datum	Anhy.	2134	(+ 664)	Base Anhy.	2162	(+ 636)	Topeka	3727	(- 929)	Heebner	3973	(-1175)	Toronto	3990	(-1192)	LKC	4014	(-1216)	Stark	4303	(-1505)	BKC	4382	(-1584)
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BKC	4382	(-1584)																										

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#	211'	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				

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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 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)
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Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
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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) \_\_\_\_\_

**LOGS**

Marmaton	4407	(-1609)
Pawnee	4511	(-1713)
Ft. Scott	4558	(-1760)
Cherokee Sh.	4580	(-1782)
Miss.	4664	(-1866)
LTD	4718	(-1920)

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KANSAS CORPORATION COMMISSION

FEB 22 2008

CONSERVATION DIVISION  
WICHITA, KS



# ALLIED

CEMENTING CO., LLC  
Cementing & Acidizing Services

# INVOICE

24 S. Lincoln Street  
P.O. Box 31  
Russell, KS 67665-2906

Invoice Number: 111663  
Invoice Date: Dec 18, 2007  
Page: 1

Voice: (785) 483-3887  
Fax: (785) 483-5566

RECEIVED

DEC 20 2007

<b>Bill To:</b>
Palomino Petroleum, Inc. 4924 SE 84th St. Newton, KS 67114-8827

Federal Tax I.D.:

Customer ID	Well Name/# or Customer P.O.	Payment Terms	
Palo	Helen #2	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Oakley	Dec 18, 2007	1/17/08

Quantity	Item	Description	Unit Price	Amount
165.00	MAT	Common Class a	12.60	2,079.00
110.00	MAT	Pozmix	6.40	704.00
10.00	MAT	Gel	16.65	166.50
69.00	MAT	Flo Seal	2.00	138.00
288.00	SER	Handling	1.90	547.20
41.00	SER	Mileage 288 sx @.09 per sk per mi	25.92	1,062.72
1.00	SER	Plug to Abandon	955.00	955.00
41.00	SER	Mileage Pump Truck	6.00	246.00
1.00	EQP	Dry Hole Plug	35.00	35.00

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FEB 22 2008

CONSERVATION DIVISION  
WICHITA, KS

ALL PRICES ARE NET, PAYABLE  
30 DAYS FOLLOWING DATE OF  
INVOICE. 1 1/2% CHARGED  
THEREAFTER. IF ACCOUNT IS  
CURRENT, TAKE DISCOUNT OF

\$ 593.34

ONLY IF PAID ON OR BEFORE

Jan 17, 2008

Subtotal	5,933.42
Sales Tax	314.47
Total Invoice Amount	6,247.89
Payment/Credit Applied	
<b>TOTAL</b>	<b>6,247.89</b>

# ALLIED CEMENTING CO., INC.

31846

Federal Tax I.D.

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

SERVICE POINT:

Oakley Ks

DATE <u>12-15-07</u>	SEC. <u>17</u>	TWP. <u>19<sup>S</sup></u>	RANGE <u>28<sup>W</sup></u>	CALLED OUT	ON LOCATION <u>11:30 PM</u>	JOB START <u>3:00 AM</u>	JOB FINISH <u>4:00 AM</u>
LEASE <u>Helen</u>	WELL # <u>2</u>	LOCATION <u>Dighton 65-1 1/2 E-1/4 N</u>			COUNTY <u>Lane</u>	STATE <u>Kan</u>	
OLD OR NEW (Circle one)							

CONTRACTOR <u>Southwind Dds Co</u>	OWNER <u>Same</u>
TYPE OF JOB <u>PTA</u>	
HOLE SIZE <u>7 1/8</u>	T.D. <u>4720'</u>
CASING SIZE	DEPTH
TUBING SIZE	DEPTH
DRILL PIPE <u>4 1/8 x 4</u>	DEPTH <u>2160'</u>
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG.	
PERFS.	
DISPLACEMENT	

CEMENT AMOUNT ORDERED	<u>275 SKS 60/40 per</u>	
	<u>4% cel, 1/4" # Flo-Seal</u>	
COMMON	<u>165-SKS @</u>	<u>12.60</u>
		<u>2,079.00</u>
POZMIX	<u>110 SKS @</u>	<u>6.40</u>
		<u>704.00</u>
GEL	<u>10-SKS @</u>	<u>16.65</u>
		<u>166.50</u>
CHLORIDE	@	
ASC	@	
	<u>Flo-Seal 69 # @</u>	<u>2.00</u>
		<u>138.00</u>
	@	
	@	
	@	
	@	
	@	
	@	
CONSERVATION DIVISION WICHITA, KS HANDLING MILEAGE	<u>288-SKS @</u>	<u>1.90</u>
		<u>547.20</u>
	<u>94 per sk mile</u>	<u>4,062.72</u>
		<u>TOTAL 4,697.42</u>

EQUIPMENT

PUMP TRUCK CEMENTER <u>Walt</u>
# <u>423-281</u> HELPER <u>Andrew</u>
BULK TRUCK DRIVER <u>Lorene</u>
# <u>399-306</u> DRIVER
BULK TRUCK DRIVER

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REMARKS:

50 SKS @ 2160'
80 SKS @ 1280'
50 SKS @ 600'
50 SKS @ 250'
20 SKS @ 60'
15 SKS in R.H.
10 SKS in mill

Thank You

SERVICE

DEPTH OF JOB	
PUMP TRUCK CHARGE	<u>955.00</u>
EXTRA FOOTAGE	@
MILEAGE <u>41 miles</u>	@ <u>6.00</u>
	<u>246.00</u>
MANIFOLD	@
	@
	@

TOTAL 1,201.00

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

PLUG & FLOAT EQUIPMENT

	<u>8 5/8</u>	
1-DH Plug	@	<u>35.00</u>
	@	
	@	
	@	
	@	

TOTAL 35.00

TAX \_\_\_\_\_  
TOTAL CHARGE \_\_\_\_\_  
DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

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 Frank J. Rome

Frank J. Rome  
PRINTED NAME



# INVOICE

24 S. Lincoln Street  
P.O. Box 31  
Russell, KS 67665-2906

Voice: (785) 483-3887  
Fax: (785) 483-5566

RECEIVED

DEC 12 2007

Invoice Number: 111540

Invoice Date: Dec 7, 2007

Page: 1

<b>Bill To:</b>
Palomino Petroleum, Inc. 4924 SE 84th St. Newton, KS 67114-8827

Federal Tax I.D.#

Customer ID	Well Name/# or Customer P.O.	Payment Terms	
Palo	Helen #2	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Oakley	Dec 7, 2007	1/6/08

Quantity	Item	Description	Unit Price	Amount
160.00	MAT	Common Class A	12.60	2,016.00
3.00	MAT	Gel	16.65	49.95
5.00	MAT	Chloride	46.60	233.00
168.00	SER	Handling	1.90	319.20
41.00	SER	Mileage 168 sx @.09 per sk per mi	15.12	619.92
1.00	SER	Surface	815.00	815.00
41.00	SER	Mileage Pump Truck	6.00	246.00
1.00	EQP	Surface Plug	60.00	60.00

RECEIVED  
KANSAS CORPORATION COMMISSION

FEB 22 2008

CONSERVATION DIVISION  
WICHITA, KS

ALL PRICES ARE NET, PAYABLE  
30 DAYS FOLLOWING DATE OF  
INVOICE. 1 1/2% CHARGED  
THEREAFTER. IF ACCOUNT IS  
CURRENT, TAKE DISCOUNT OF

\$ 4,359.91

ONLY IF PAID ON OR BEFORE

Jan 6 2008

Subtotal	4,359.07
Sales Tax	125.02
Total Invoice Amount	4,484.09
Payment/Credit Applied	
<b>TOTAL</b>	<b>4,484.09</b>

# ALLIED CEMENTING CO., INC.

31841

Federal Tax I.D.:

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

SERVICE POINT:  
Oakley Ks

DATE <u>12-6-07</u>	SEC. <u>17</u>	TWP. <u>19<sup>s</sup></u>	RANGE <u>28<sup>w</sup></u>	CALLED OUT	ON LOCATION <u>9:00 pm</u>	JOB START <u>11:30 pm</u>	JOB FINISH <u>11:45 pm</u>
LEASE <u>Helen</u>	WELL # <u>#2</u>	LOCATION <u>Dighton 65-1 1/2 E - N.S</u>	COUNTY <u>Lane</u>	STATE <u>Kan</u>			
OLD OR NEW (Circle one)							

CONTRACTOR Southwind Drilling Co #1

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 210'

CASING SIZE 8 5/8 DEPTH 210'

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15'

PERFS.

DISPLACEMENT 12 1/2 DBL

EQUIPMENT

OWNER Same

CEMENT

AMOUNT ORDERED 160 sks com

3% cc - 2% cel

COMMON	<u>160 - SKs @</u>	<u>12<sup>60</sup></u>	<u>2,016<sup>00</sup></u>
POZMIX	@		
GEL	<u>3 - SKs @</u>	<u>16<sup>65</sup></u>	<u>49<sup>95</sup></u>
CHLORIDE	<u>5 - SKs @</u>	<u>46<sup>60</sup></u>	<u>233<sup>00</sup></u>
ASC	@		
	@		
	@		
	@		
	@		
	@		
	@		
	@		

PUMP TRUCK CEMENTER Walt

# 423-281 HELPER Andrew

BULK TRUCK

# 399-306 DRIVER Jerry

BULK TRUCK

# DRIVER

RECEIVED HANDLING  
KANSAS CORPORATION COMMISSION  
MILEAGE 168 SKs @ 1<sup>90</sup>  
94 per SK/mile 619<sup>92</sup>

REMARKS:

FEB 22 2008

CONSERVATION DIVISION  
WICHITA, KS

SERVICE

DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>815<sup>00</sup></u>
EXTRA FOOTAGE	@		
MILEAGE <u>41 miles</u>	@	<u>6<sup>00</sup></u>	<u>246<sup>00</sup></u>
MANIFOLD	@		
	@		
	@		

CHARGE TO: Palomino Petroleum

STREET

CITY STATE ZIP

TOTAL 1,061<sup>00</sup>

PLUG & FLOAT EQUIPMENT

<u>8 5/8</u>			
<u>1 - Surface Plug</u>	@		<u>60<sup>00</sup></u>
	@		
	@		
	@		
	@		
	@		
TOTAL			<u>60<sup>00</sup></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 Frank J. Rome

Frank J. Rome  
PRINTED NAME