

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: WW Drilling, LLC
 License: 33575
 Wellsite Geologist: Brad Hutchinson
 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. _____

1/7/08	1/16/08	1/16/08
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24735-0000
 County: Ness
NE SW NE SW Sec. 4 Twp. 17 S. R. 24 East West
1890 feet from S / N (circle one) Line of Section
1690 feet from E / W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: Jarvis-Schuckman Well #: 1
 Field Name: None (Wildcat)
 Producing Formation: None
 Elevation: Ground: 2488 Kelly Bushing: 2453
 Total Depth: 5040 Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 220 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 *ALT II WHM*
 (Data must be collected from the Reserve Pit) *2-22-08*
 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: January 30, 2008
 Subscribed and sworn to before me this 30th day of January,
20 08.

Notary Public: Carla R. Penwell
 Date Commission Expires: October 15, 2009 Expires 10-6-09

KCC Office Use ONLY

Letter of Confidentiality Received **RECEIVED**
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received **FEB 04 2008**
 UIC Distribution
 KANSAS CORPORATION COMMISSION
 CONSERVATION DIVISION
 WICHITA, KS



P. O. Box 466
Ness City, KS 67560
Off: 785-798-2300

RECEIVED

JAN 24 2008

Invoice

DATE	INVOICE #
1/18/2008	13330

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

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1 SWD	Jarvis-Schuc...	Ness	DS&W Well Servi...	Disposal	Development	Cement Port Collar	Wayne
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				20	Miles	4.00	80.00
577D	Pump Charge - Port Collar				1	Job	850.00	850.00
105	Port Collar Tool Rental With Man				1	Each	400.00	400.00T
330	Swift Multi-Density Standard (MIDCON II)				165	Sacks	15.00	2,475.00T
276	Flocele				50	Lb(s)	1.25	62.50T
290	D-Air				2	Gallon(s)	32.00	64.00T
581D	Service Charge Cement				200	Sacks	1.25	250.00
583D	Drayage				199.7	Ton Miles	1.00	199.70
	Subtotal							4,381.20
	Sales Tax Ness County						5.30%	159.08

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 04 2008
CONSERVATION DIVISION
WICHITA, KS

Thank You For Your Business In 2007! We Look Forward To Serving You In 2008!	Total	\$4,540.28
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CHARGE TO:
PALOMENO PETROLEUM
 ADDRESS
 CITY, STATE, ZIP CODE

TICKET

No 13330

PAGE 1 OF 1

SERVICE LOCATIONS
 1. **NESS CITY, KS**

WELL/PROJECT NO. # **1 - SWD** LEASE **JARVIS - SCHUCKMAN** COUNTY/PARISH **NESS** STATE **Ks** CITY DATE **1-18-08** OWNER **SAME**

TICKET TYPE SERVICE SALES CONTRACTOR **DS+W** RIG NAME/NO. SHIPPED VIA **CT** DELIVERED TO **LOCATION** ORDER NO.

WELL TYPE **DISPOSAL** WELL CATEGORY **DEVELOPMENT** JOB PURPOSE **CEMENT PORT COLLAR** WELL PERMIT NO. WELL LOCATION **RAJSON, Ks - 4 1/2, 3 1/2 E, NS**

REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
578		1			MILEAGE #110	20	MI			4.00	80.00
577		1			PUMP SERVICE	1	JOB			850.00	850.00
105		1			PORT COLLAR OPENING TOOL	1	JOB			400.00	400.00
330		1			SWIFT MULTI-DESIGN STANDARD	165	SKS			15.00	2475.00
276		1			FLOECE	50	lbs			1.25	62.50
290		1			D-ADR	2	gal			32.00	64.00
581		1			SERVICE CHARGE CEMENT	200	SKS			1.25	250.00
583		1			DRYAGE	19970	lbs	199.7	TM	1.00	19970

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 FEB 04 2008
 CONSERVATION DIVISION
 WICHITA, KS

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 *Rick Schuber*
 DATE SIGNED **1-18-08** TIME SIGNED **1100** 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	PAGE TOTAL
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				4381.20
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 type="checkbox"/> YES <input type="checkbox"/> NO			
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				
TOTAL				4540.28

NESS TAX 5.3% 159.08

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.

SWIFT OPERATOR *Wayne Wilson* APPROVAL

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 1-18-08 PAGE NO. 1

CUSTOMER PALOMINO PETROLEUM WELL NO. #1-SWD LEASE JARVIS-SCHUCKMAN JOB TYPE CEMENT PORT COLLAR TICKET NO. 13330

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL/GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1100							ON LOCATION
								2 3/8 x 5 1/2 PORT COLLAR = 1769'
	1135				✓		1000	PSI TEST CASING - HELD
	1140	3	2	✓		400		OPEN PORT COLLAR - ZWT RATE
	1145	4	91	✓		400		MAX CEMENT 165 SLS SWS
	1210	4	6	✓		550		DISPARE CEMENT
	1215				✓		1000	CLOSE PORT COLLAR - PSI TEST - HELD
								CIRCULATED 10 SLS CEMENT TO PET
	1230	4	20		✓		450	RUN 4 JOBS - CIRCULATE CLEAN
								WASH TRUCK
								PULL TOOL
	1330							JOB COMPLETE

THANK YOU
WAKE, BRETT, ROB

RECEIVED
KANSAS CORPORATION COMMISSION

FEB 04 2008

CONSERVATION DIVISION
WICHITA, KS

SWIFT



P. O. Box 466
Ness City, KS 67560
Off: 785-798-2300



Invoice

DATE	INVOICE #
1/15/2008	13327

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

RECEIVED

JAN 19 2008

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1 SWD	Jarmis-Schuc...	Ness	WW Drilling #6	Disposal	Development	5-1/2" LongString	Wayne
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				20	Miles	4.00	80.00
578D-L	Pump Charge - Long String - 4907 Feet				1	Job	1,250.00	1,250.00
221	Liquid KCL (Clayfix)				2	Gallon(s)	26.00	52.00T
281	Mud Flush				500	Gallon(s)	0.75	375.00T
402-5	5 1/2" Centralizer				10	Each	100.00	1,000.00T
403-5	5 1/2" Cement Basket				4	Each	300.00	1,200.00T
404-5	5 1/2" Port Collar - Top Joint #79 - 1769 Feet				1	Each	2,300.00	2,300.00T
405-5	5 1/2" Formation Packer Shoe				1	Each	1,400.00	1,400.00T
406-5	5 1/2" Latch Down Plug & Baffle				1	Each	235.00	235.00T
330	Swift Multi-Density Standard (MIDCON II)				175	Sacks	15.00	2,625.00T
276	Flocele				44	Lb(s)	1.25	55.00T
290	D-Air				2	Gallon(s)	32.00	64.00T
581D	Service Charge Cement				175	Sacks	1.25	218.75
583D	Drayage				173.84	Ton Miles	1.00	173.84
	Subtotal							11,028.59
	Sales Tax Ness County						5.30%	493.22

RECEIVED
KANSAS CORPORATION COMMISSION

FEB 04 2008

CONSERVATION DIVISION
WICHITA, KS

Thank You For Your Business In 2007!
We Look Forward To Serving You In 2008!

Total

\$11,521.81



CHARGE TO: **PALOMEDO PETROLEUM**
 ADDRESS:
 CITY, STATE, ZIP CODE:

TICKET No 13327
 PAGE 1 OF 2

SERVICE LOCATIONS 1. **NESS CITY, Ks**
 WELL/PROJECT NO. # 1 - SWD LEASE JARMIS-SCHUCKMAN COUNTY/PARISH NESS STATE Ks CITY DATE 1-15-08 OWNER SAME
 CONTRACTOR WW DRIG # 6 RIG NAME/NO. SHIPPED VIA CT DELIVERED TO LOCATION ORDER NO.
 WELL TYPE DISPOSAL WELL CATEGORY DEVELOPMENT JOB PURPOSE 5 1/2" LONGSTRAWG WELL PERMIT NO. WELL LOCATION SW / RANSOM, Ks
 REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.	U/M	QTY.	U/M	UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE # 110	20	ME			4.00	80.00
578		1			PUMP SERVICE	1	JOB	4907	FT	1250.00	1250.00
221		1			LIQUID KCL	2	Gal			26.00	52.00
281		1			MUD FLUSH	500	Gal			.75	375.00
402		1			CEMENT SACS	10	EA	5 1/2"		100.00	1000.00
403		1			CEMENT BASKETS	4	EA			300.00	1200.00
404		1			PORT COLLAR TOP JT # 79	1	EA	1769	FT	2300.00	2300.00
405		1			FORMATION PACKERSHOE	1	EA			1400.00	1400.00
406		1			LATCH DOWN PLUG - BAFFLE	1	EA			235.00	235.00

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 WICHITA, KS

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

x *Nicholas P. Murrain*
 DATE SIGNED 1-15-08 TIME SIGNED 2200 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	PAGE TOTAL	AMOUNT
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				#1	7892.00
WE UNDERSTOOD AND MET YOUR NEEDS?				#2	3136.59
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				sub total	11,028.59
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX	493.22
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO		ness 5.3%	
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL	11,521.81

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.

SWIFT OPERATOR *Wayne Wilson* APPROVAL

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE **1-15-08** PAGE NO. **1**

CUSTOMER **PALOMIZO PETROLEUM** WELL NO. **# 1 - SWA** LEASE **JAMES - SCHUCKMAN** JOB TYPE **5 1/2" LONGSTRONG** TICKET NO. **13327**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL/GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	2200							ON LOCATION
	0030							START 5 1/2" CASING IN WELL
								TD-5040 SET = 4907
								TP-4910 5 1/2" 15.5
								ST-20'
								CENTRALIZERS - 1, 2, 4, 6, 9, 12, 16, 21, 26, 78
								CMT BSKTS - 2, 3, 13, 79
								PORT COLLAR = 1769 TOP JT # 79
	0235							BREAK CIRCULATION
	0245				✓		1000	DROP BALL - SET PACKERSHOE - CIRCULATE
	0330	6	12		✓		450	PUMP 500 GAL MUD FLUSH
	0332	6	20		✓		450	PUMP 20 BBLs KCL-FLUSH
	0338		4					PLUG RH
	0340	6	42		✓		400	MIX CEMENT 75 SKS = 11.2 PP6
		6	19		✓			50 SKS = 12.5 PP6
		5	14		✓		250	50 SKS = 14.0 PP6
	0357							WASH OUT PUMP - LEVER
	0358							RELEASE LATCH DOWN PLUG
	0400	7	0		✓			DISPLACE PLUG
		6 1/2	115				750	
	0417	5 1/2	116.4				1500	PLUG DOWN - PSE UP LATCH IN PLUG
	0420						OK	RELEASE PSE-HEM
								WASH TRUCK
	0530							JOB COMPLETE THANK YOU WAYNE BRETT, RYAN

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FEB 04 2008
CONSERVATION DIVISION
WICHITA, KS