

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM

RECEIVED

FEB 15 2002

WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: KOGWICH PPA 42
Name: PALOMINO PETROLEUM, INC.
Address: 8924 SE 84th Street
City/State/Zip: Newton, KS 67114-8827
Purchaser: _____
Operator Contact Person: Klee R. Watchous
Phone: (316) 799-1000
Contractor: Name: Discovery Drilling Co., Inc.
License: 31548
Wellsite Geologist: Bob Schreiber

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. _____

1/25/02 1/30/02 1/31/02
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 135-24,172-0000
County: Ness
N/2-SW-NE Sec. 10 Twp. 16 S. R. 25W East West
1650 feet from / (circle one) Line of Section
1980 feet from / (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE SE NW SW

Lease Name: McNinch Well #: 1

Field Name: Arnold North

Producing Formation: None

Elevation: Ground: 2561 Kelly Bushing: 2569

Total Depth: 4550 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at 222.04 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 P+A KGR 1/14/08
(Data must be collected from the Reserve Pit)

Chloride content 15,000 ppm Fluid volume 320 bbls

Dewatering method used Evaporation

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: 2/14/02

Subscribed and sworn to before me this 14th day of February

~~2002~~

Notary Public: Carla R. Penwell

Carla R. Penwell

Date Commission Expires: 10-6-05

KCC Office Use ONLY

Letter of Confidentiality Attached

If Denied, Yes Date: _____

Wireline Log Received

Geologist Report Received

UIC Distribution

NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
My Appt. Expires 10-6-05

Operator Name: PALOMINO PETROLEUM INC. Lease Name: McNinch Well #: 1
 Sec. 10 Twp. 16 S. R. 25w 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:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum
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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 Pipe	12 1/4	8 5/8	20	222.04	Common	150	2%Gel&3%CC

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				

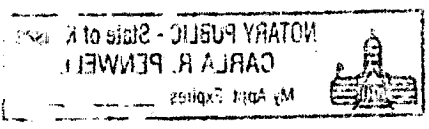
Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed 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 Vented Sold Used on Lease *(If vented, Sumit ACO-18.)*

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval _____



RECEIVED

FEB 15 2002

KCC WICHITA

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

ORIGINAL

SERVICE POINT: Wess City

DATE <u>1-31-02</u>	SEC. <u>10</u>	TWP. <u>16</u>	RANGE <u>25</u>	CALLED OUT <u>11:30 am</u>	ON LOCATION <u>3:00 pm</u>	JOB START <u>6:00 am</u>	JOB FINISH <u>7:00 pm</u>
LEASE <u>McKinch</u>		WELL# <u>1</u>	LOCATION <u>disposal - 1 West - 3 north</u>			COUNTY <u>Wess</u>	STATE <u>KS</u>
OLD OR NEW (Circle one) <u>NEW</u>			LOCATION <u>1/2 West - South into</u>				

CONTRACTOR Discoury #1
 TYPE OF JOB Rotary plug
 HOLE SIZE 7 7/8 T.D.S. 4550
 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 Palamino Pet. Inc
 CEMENT AMOUNT ORDERED 215 sk 60/40 620 # 1/4" Flo seal

COMMON _____ @ _____
 POZMIX _____ @ _____
 GEL _____ @ _____
 CHLORIDE _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 HANDLING _____ @ _____
 MILEAGE _____ @ _____

EQUIPMENT

PUMP TRUCK CEMENTER Jack
 # _____ HELPER Jim
 BULK TRUCK DRIVER Steve
 # _____ DRIVER _____

TOTAL _____

REMARKS:

1st plug @ 200' with 30 sk cement
2nd plug @ 1100' with 30 sk cement
3rd plug @ 300' with 40 sk cement
4th plug @ 230' with 40 sk cement
5th plug @ 40' with 10 sk cement
Mud hole - 10 sk cement
Rathole - 15 sk cement
Thunks

SERVICE

DEPTH OF JOB _____
 PUMP TRUCK CHARGE _____
 EXTRA FOOTAGE _____ @ _____
 MILEAGE _____ @ _____
 PLUG 8 3/8 wood _____ @ _____
 _____ @ _____
 _____ @ _____

TOTAL _____

CHARGE TO: Palamino Pet. Inc
 STREET _____
 CITY _____ STATE _____ ZIP _____

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 Carl F. Coff

Carl F. Coff
 PRINTED NAME

MUD-CO / SERVICE MUD INC.

155 North Market, Suite 1050 • Wichita, Kansas 67202

ATTENTION, NEW BILLING ADDRESS !!

Mail Attention to: Mud-Co / Service Mud Inc.

PO Box 345

Kingman, Ks. 67068

ORIGINAL

RECEIVED

INVOICE DATE
02/04/2002

INVOICE NO.
21541

SOLD TO: PALOMINO PETROLEUM
4924 SE 84TH ST.
NEWTON, KS 67114

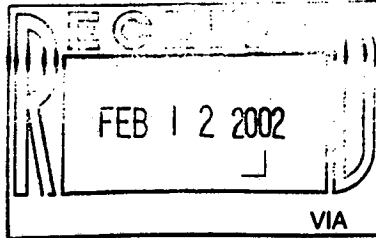
FEB 15 2002

KCC WICHITA

CUSTOMER ORDER NO.
15966

DATE SHIPPED
01/25/2002

SHIPPED TO: DISCOVERY DRLG
#1 MCNINCH
10-16-25W
NESS, KS



PAGE 1

FROM: Warehouse - Pratt, Kansas F.O.B. VIA

TERMS: NET 30 DAYS

QUANTITY	DESCRIPTION	UNIT PRICE	PER	AMOUNT
80	C/S HULLS	9.25	50#	740.00
10	CAUSTIC SODA	39.45	50#	394.50
1	DRILL PAK	289.14	50#	289.14
4	LIME	7.15	50#	28.60
297	PREMIUM GEL	7.20	100#	2,138.40
18	SODA ASH #50	14.35	50#	258.30
11	SUPER LIG	18.25	50#	200.75
<p>*** We're allowing a 22.50% cash discount of *** ** (\$1,349.03) if invoice paid by 03/06/2002 **</p>				
<p>Total Mud Cost . . .</p>				4,049.69
<p>Trucking Cost. . .</p>				1,946.02
<p>Trucking Surcharge:</p>				194.60
<p>Sales Tax.</p>				0.00
<p>PAST DUE ACCOUNTS ARE SUBJECT TO SERVICE CHARGE OF 1.25% PER MONTH AND ALL COSTS OF COLLECTION, INCLUDING ATTORNEY'S FEES.</p>				

TOTAL 6,190.31

Seller represents and warrants that all of the goods or materials herein specified and/or the performance of the services covered by this invoice have been produced and/or furnished in full compliance with the Federal Fair Labor Standards Act of 1938, as amended.
ADDRESS ALL CORRESPONDENCE REGARDING THIS INVOICE TO
MUD-CO / SERVICE MUD, INC., 155 N. MARKET, SUITE 1050, WICHITA, KANSAS 67202

ORIGINAL
81143

MUD-CO
SERVICE MUD INC.
100 S. Main, Suite 405 • Wichita, KS 67202 • 316-264-2814

DELIVERY TICKET

DATE SHIPPED 1-25-02	F. O. B. WAREHOUSE <input type="checkbox"/>	PREPAID <input type="checkbox"/>	FINAL WELL TICKET
DELIVERING WAREHOUSE Mud	WELL SITE <input type="checkbox"/>	COLLECT <input type="checkbox"/>	

SOLD TO **Palomano Petro.**
ADDRESS
CITY, STATE, ZIP

SHIPPED TO **Discovery DRUG #1**
SHIPPED VIA **Mud-co T#4919**
ORDER NO. **15966**

WELL NAME & NO. **#1 Mc Minch**
COUNTY STATE **Wess Co Kansas**
SEC **78** TWN **76S** RNG **25W**

RECEIVED

PRODUCT	PACKAGE SIZE	QUANTITY	PRICING UNIT	CODE	UNIT PRICE	AMOUNT
FEB 15 2002 1. Mud-Co-Gel KCC WICHITA	100#	.336	Bag		7.80	
2. Salt Clay	#		Bag			
3. Sea Mud	50#		Bag			
4. Mud-Co-Starch	50#		Bag			
5. Lime	50#	3	Bag		7.15	
6. Cotton Seed Hulls	50 #	80	Bag		9.35	
7. Soda Ash	50#	20	Bag		14.35	
8. Caustic Soda	50#	15	Bag		39.45	
9. Blackhills Lig Thinner	50 #	15	Bag		18.35	
10. Preservative	50#		Bag			
11. Drispac	50#		Bag			
12. Mud Seal	40#		Bag			
13. Drill -pac	50#	3	bag		289.14	
14.						
15.						
16.						
17.						
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22.						
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24.						

MATERIAL RECEIVED IN GOOD ORDER <i>Carl F. Hoff</i> DATE RECEIVED	TRANSPORTATION CHARGES			SUB TOTAL	5200.57
	TRUCK #	MILEAGE	FROM		
	@			SALES TAX	
	@			TRANSPORTATION	888.80
	PURCHASE AUTHORIZED BY	TOTAL TRANSPORTATION CHARGES		TOTAL	6089.37

ROUTING: WHITE - CUSTOMER; BLUE - CUSTOMER RIG; GREEN - WICHITA; GOLD - WICHITA; CANARY - WAREHOUSE

PLEASE PRESS FIRMLY: YOU ARE MAKING FIVE COPIES

ORIGINAL

DELIVERY TICKET 81153

MUD-CO / **SERVICE MUD INC.**

100 S. Main, Suite 405 • Wichita, KS 67202 • 316-264-2814

DATE SHIPPED 1-27-01	F. O. B. WAREHOUSE <input type="checkbox"/>	PREPAID <input type="checkbox"/>	FINAL WELL TICKET
DELIVERING WAREHOUSE Pratt	WELL SITE <input type="checkbox"/>	COLLECT <input type="checkbox"/>	

SOLD TO Palomino Petro	SHIPPED TO Discovery Drilling Rig #1	WELL NAME & NO. #1 MC Nimb
ADDRESS	SHIPPED VIA MCSM 1R37	COUNTY, STATE Ness Co Kas
CITY, STATE, ZIP	ORDER NO. 15966	SEC TWN RNG 10 16S 20W

PRODUCT	PACKAGE SIZE	QUANTITY	PRICING UNIT	CODE	UNIT PRICE	AMOUNT
1. Mud-Co-Gel	50 #	112	Bag		2.20	
2. Salt Clay	#		Bag			
3. Sea Mud	50#		Bag			
4. Mud-Co-Starch	50#		Bag			
5. Lime	50#	5	Bag		7.15	
6. Cotton Seed Hulls	50#	120	Bag		9.25	
7. Soda Ash	50#	5	Bag		14.35	
8. Caustic Soda	50#	5	Bag		39.15	
9. Black Hills Lig Thinner	50 #	5	Bag		18.25	
10. Preservative	50#		Bag			
11. Drispac	50#		Bag			
12. Mud Seal	40#		Bag			
13. Multi seal	40#	42	Bag		19.20	
14.						
15.						
16.						
17.						
18.						
19.						
20.						
21.						
22.						
23.						
24.						

MATERIAL RECEIVED IN GOOD ORDER <i>X</i>	TRANSPORTATION CHARGES			SUB TOTAL	3118.80
	TRUCK #	MILEAGE	FROM		
DATE RECEIVED	@			SALES TAX	
	@				
	@			TRANSPORTATION	520.86
PURCHASE AUTHORIZED BY	TOTAL TRANSPORTATION CHARGES			TOTAL	3639.66

ROUTING: WHITE - CUSTOMER; BLUE - CUSTOMER RIG; GREEN - WICHITA; GOLD - WICHITA; CANARY - WAREHOUSE

PLEASE PRESS FIRMLY: YOU ARE MAKING FIVE COPIES

ORIGINAL 15209
84180

MUD-CO SERVICE MUD INC. 100 S. Main, Suite 405 • Wichita, KS 67202 • 316-264-2814	DELIVERY TICKET		
	DATE SHIPPED 2-4-02	F. O. B. WAREHOUSE <input type="checkbox"/>	PREPAID <input type="checkbox"/>
DELIVERING WAREHOUSE Mud-co Pratt	WELL SITE <input type="checkbox"/>	COLLECT <input type="checkbox"/>	TICKET <input checked="" type="checkbox"/>

SOLD TO Palomsno Petro	SHIPPED TO Discovery Drilling #1	WELL NAME & NO. #1 McWinch
ADDRESS RECEIVED	SHIPPED VIA Mud-co T #4919	COUNTY, STATE Ness Co Kansas
CITY, STATE, ZIP	ORDER NO. 15966	SEC TWN RNG 10 76S 75W

PRODUCT	PACKAGE SIZE	QUANTITY	PRICING UNIT	CODE	UNIT PRICE	AMOUNT
1. Mud-Co-Gel KCC WICHITA	100#	151	Bag		9.20	
2. Salt Clay	#		Bag			
3. Sea Mud	50#		Bag			
4. Mud-Co-Starch	50#		Bag			
5. Lime	50#	4	Bag		7.15	
6. Cotton Seed Hulls	50#	120	Bag		9.25	
7. Soda Ash	50#	7	Bag		14.35	
8. Caustic Soda	50#	10	Bag		39.45	
9. Blackhills Ctg Thinner	50#	9	Bag		18.25	
10. Preservative	50#		Bag			
11. Drispac	50#		Bag			
12. Mud Seal	40#		Bag			
13. Multi Seal	40#	42			19.20	
14. Drill-pac	50#	2			289.14	
15.						
16.						
17.						
18.						
19.						
20.						
21.						
22.						
23.						
24.						

Credit

MATERIAL RECEIVED IN GOOD ORDER	TRANSPORTATION CHARGES			SUB TOTAL	4269.68
	TRUCK #	MILEAGE	FROM	SALES TAX	
DATE RECEIVED	@			TRANSPORTATION	536.36
PURCHASE AUTHORIZED BY	TOTAL TRANSPORTATION CHARGES			TOTAL	3733.32

ROUTING: WHITE - CUSTOMER; BLUE - CUSTOMER RIG; GREEN - WICHITA; GOLD - WICHITA; CANARY - WAREHOUSE

