

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form ACO-1  
September 1999  
Form Must Be Typed

ORIGINAL

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. (Zeb) Stewart

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>10/4/07</u>	<u>10/13/07</u>	<u>10/13/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24698-00-00  
County: Ness  
\_\_\_\_\_ C \_\_\_\_\_ W/2 Sec. 18 Twp. 17 S. R. 25  East  West  
2500 feet from S  (circle one) Line of Section  
1430 feet from E  (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE  SW  
Lease Name: Norton-Stutz Well #: 1  
Field Name: None (Wildcat)

Producing Formation: None  
Elevation: Ground: 2486 Kelly Bushing: 2496  
Total Depth: 4534 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 218 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 within 1-25-08*  
(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: January 10, 2008  
Subscribed and sworn to before me this 10th day of January,  
20 08.  
Notary Public: Carla R. Penwell  
Carla R. Penwell  
Date Commission Expires: October 2009  
NOTARY PUBLIC - State of Kansas  
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 2008

Operator Name: Palomino Petroleum, Inc. Lease Name: Norton-Stutz Well #: 1  
 Sec. 18 Twp. 17 S. R. 25  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:  <b>Radiation Guard, Sonic</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:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Anhy.</td> <td>1825</td> <td>(+ 671)</td> </tr> <tr> <td>Base Anhy.</td> <td>1855</td> <td>(+ 641)</td> </tr> <tr> <td>Topeka</td> <td>3510</td> <td>(-1014)</td> </tr> <tr> <td>Heebner</td> <td>3779</td> <td>(-1283)</td> </tr> <tr> <td>LKC</td> <td>3820</td> <td>(-1324)</td> </tr> <tr> <td>BKC</td> <td>4123</td> <td>(-1627)</td> </tr> <tr> <td>Marmaton</td> <td>4168</td> <td>(-1672)</td> </tr> <tr> <td>Pawnee</td> <td>4255</td> <td>(-1759)</td> </tr> </table>	Name	Top	Datum	Anhy.	1825	(+ 671)	Base Anhy.	1855	(+ 641)	Topeka	3510	(-1014)	Heebner	3779	(-1283)	LKC	3820	(-1324)	BKC	4123	(-1627)	Marmaton	4168	(-1672)	Pawnee	4255	(-1759)
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Pawnee	4255	(-1759)																										

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#	218'	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	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 2008**

**LOGS**

Ft. Scott	4326	(-1830)
Cherokee Sh.	4348	(-1852)
Miss.	4431	(-1935)
LTD	4534	(-2038)

RECEIVED  
KANSAS CORPORATION COMMISSION

JAN 11 2008

CONSERVATION DIVISION  
WICHITA, KS



# INVOICE

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

Invoice Number: 110676  
Invoice Date: Oct 15, 2007  
Page: 1

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

**RECEIVED**  
OCT 22 2007

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



Customer ID	Well Name # or Customer P.O.	Payment Terms	
Palo	Norton Stutz #1	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Great Bend	Oct 15, 2007	11/14/07

Quantity	Item	Description	Unit Price	Amount
153.00	MAT	Common Class A	11.10	1,698.30
102.00	MAT	Pozmix	6.20	632.40
10.00	MAT	Gel	16.65	166.50
64.00	MAT	Flo Seal	2.00	128.00
267.00	SER	Handlign	1.90	507.30
29.00	SER	Mileage 267 sx @.09 per sk per mi	24.03	696.87
1.00	SER	Rotary Plug	815.00	815.00
29.00	SER	Mileage Pump Truck	6.00	174.00

RECEIVED  
KANSAS CORPORATION COMMISSION

JAN 11 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

\$ 4,818.37

ONLY IF PAID ON OR BEFORE

Nov 14, 2007

Subtotal	4,818.37
Sales Tax	255.37
Total Invoice Amount	5,073.74
Payment/Credit Applied	
<b>TOTAL</b>	<b>5,073.74</b>

# ALLIED CEMENTING CO., INC.

30365

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

SERVICE POINT:  
Great Bend

DATE <u>10-13-07</u>	SEC. <u>18</u>	TWP. <u>17</u>	RANGE <u>25</u>	CALLED OUT <u>9:00AM</u>	ON LOCATION <u>11:30AM</u>	JOB START <u>12:00noon</u>	JOB FINISH <u>2:00PM</u>
LEASE <u>Newton</u>	WELL # <u>2</u>	LOCATION <u>Utica east to "F" Road</u>			COUNTY <u>Neos</u>	STATE <u>Kansas</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)			<u>4 1/2 south east into.</u>				

CONTRACTOR Southwind  
 TYPE OF JOB Rotary Plug  
 HOLE SIZE 4.535'  
 CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4 1/2 x H DEPTH 1860'  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT \_\_\_\_\_

OWNER Palomina  
 CEMENT  
 AMOUNT ORDERED 255 dx 60/40 poz  
4% Gel 1/4" flo seal per dx.

EQUIPMENT  
U.B.  
 PUMP TRUCK CEMENTER J.D. Drueiling  
 #224 HELPER David Juergensen  
 BULK TRUCK  
 #341 DRIVER Steve Turley  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON	<u>153</u>	@	<u>11.10</u>	<u>1698.30</u>
POZMIX	<u>102</u>	@	<u>6.20</u>	<u>632.40</u>
GEL	<u>10</u>	@	<u>16.65</u>	<u>166.50</u>
CHLORIDE		@		
ASC		@		
FLO-SEAL - 64		@	<u>2.00</u>	<u>128.00</u>
HANDLING	<u>267</u>	@	<u>1.90</u>	<u>507.30</u>
MILEAGE	<u>29.9</u>			<u>267</u>
TOTAL				<u>3829.37</u>

REMARKS:

- 1<sup>st</sup> 50 dx 1860'
- 2<sup>nd</sup> 80 dx 1170'
- 3<sup>rd</sup> 40 dx 600'
- 4<sup>th</sup> 40 dx 240'
- 20 dx 60'
- 15 dx rat hole
- 10 dx mouse hole

CHARGE TO: Palomina  
 STREET 4924 SE 84<sup>th</sup>  
 CITY Newton STATE Kansas ZIP 67114

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

SERVICE  
 DEPTH OF JOB 1860'  
 PUMP TRUCK CHARGE 815.00  
 EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE 29 @ 6.00 174.00  
 MANIFOLD \_\_\_\_\_ @ \_\_\_\_\_  
 RECEIVED \_\_\_\_\_ @ \_\_\_\_\_  
KANSAS CORPORATION COMMISSION

JAN 11 2008 TOTAL 989.00  
 CONSERVATION DIVISION  
 WICHITA, KS  
 PLUG & FLOAT EQUIPMENT

TAX \_\_\_\_\_  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS  
 TOTAL 0

SIGNATURE Frank J. Rome  
 PRINTED NAME

Thank you!



# INVOICE

24 S. Lincoln Street  
 P.O. Box 31  
 Russell, KS 67665-2906  
 Voice: (785) 483-3887  
 Fax: (785) 483-5566

**RECEIVED**  
 OCT 12 2007

Invoice Number: 110537  
 Invoice Date: Oct 9, 2007  
 Page: 1

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



Customer ID	Well Name # or Customer P/O	Payment Terms	
Palo	Norton Stutz #1	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Great Bend	Oct 9, 2007	11/8/07

Quantity	Item	Description	Unit Price	Amount
160.00	MAT	Common Class A	11.10	1,776.00
3.00	MAT	Gel	16.65	49.95
5.00	MAT	Chloride	46.60	233.00
168.00	SER	Handling	1.90	319.20
30.00	SER	Mileage 168 sx @.09 per sk per mi	15.12	453.60
1.00	SER	Surface	815.00	815.00
30.00	SER	Mileage Pump truck	6.00	180.00
1.00	SER	Manifold Head Rental	100.00	100.00
1.00	EQP	Wooden Plug	60.00	60.00

**RECEIVED**  
 KANSAS CORPORATION COMMISSION  
**JAN 11 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

**\$ 398.67**

ONLY IF PAID ON OR BEFORE

**Nov 8, 2007**

Subtotal	3,986.75
Sales Tax	112.30
Total Invoice Amount	4,099.05
Payment/Credit Applied	
<b>TOTAL</b>	<b>4,099.05</b>

# ALLIED CEMENTING CO., INC.

30928

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

SERVICE POINT:

Great Bend

DATE <u>10-4-07</u>	SEC. <u>18</u>	TWP. <u>17S</u>	RANGE <u>25W</u>	CALLED OUT <u>9:00 AM</u>	ON LOCATION <u>12:00 AM</u>	JOB START <u>12:15 PM</u>	JOB FINISH <u>1:15 PM</u>
Norton LEASE STUTZ		WELL # <u>1</u>	LOCATION <u>UTICA 1E To F. Rd 4 1/2 S</u>		COUNTY <u>Ness</u>	STATE <u>KS</u>	
OLD OR <u>(NEW)</u> (Circle one)			<u>E F B I N T E</u>				

CONTRACTOR Southwind Rig 1  
 TYPE OF JOB SURFACE  
 HOLE SIZE 12 1/4 T.D. 219'  
 CASING SIZE 8 5/8 DEPTH 218'  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4 1/2 DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX 200 MINIMUM 50  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT 15'  
 CEMENT LEFT IN CSG. 15'  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT FRESH WATER 13 BBLs  
 EQUIPMENT \_\_\_\_\_

OWNER Palomino

CEMENT  
 AMOUNT ORDERED 160 sy common + 3% cc + 2% GEL

COMMON	<u>160 BBL.</u>	@	<u>11.10</u>	<u>1776.00</u>
POZMIX		@		
GEL	<u>3 BBL.</u>	@	<u>16.65</u>	<u>49.95</u>
CHLORIDE	<u>5 BBL.</u>	@	<u>46.60</u>	<u>233.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>168 BBL.</u>	@	<u>1.90</u>	<u>319.20</u>
MILEAGE	<u>168 BBL. 09 30</u>			<u>453.60</u>
TOTAL				<u>2831.75</u>

PUMP TRUCK CEMENTER DWAYNE W  
 # 120 HELPER TYLER W  
 BULK TRUCK  
 # 387 DRIVER KEVIN W  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

REMARKS:

pipe on bott breaks circulation pump 160 sy common + 3% cc + 2% GEL SHUT DOWN RELEASED PLUG and disp with 13 BBLs FRESH WATER SHUT IN CEMENT DID CIRCULATE

Rig down

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

THANK YOU

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.

SERVICE

DEPTH OF JOB	<u>218'</u>		
PUMP TRUCK CHARGE			<u>815.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>30</u>	@	<u>6.00</u> <u>180.00</u>
MANIFOLD HEAD RENT		@	<u>100.00</u> <u>100.00</u>
		@	
		@	

RECEIVED  
 KANSAS CORPORATION COMMISSION

JAN 11 2008

TOTAL 1095.00

CONSERVATION DIVISION  
 WICHITA PLUG & FLOAT EQUIPMENT

<u>1 8 5/8 wooden plug</u>	<u>60.00</u>
	@
	@
	@
	@
	@

TOTAL 60.00

TAX \_\_\_\_\_

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

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

SIGNATURE Frank J. Rome

Frank J. Rome  
 PRINTED NAME