

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 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>9/24/07</u>	<u>10/3/07</u>	<u>10/3/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24699 - 06-06
County: Ness

 - - SE Sec. 13 Twp. 17 S. R. 26 East West
1430 feet from N (circle one) Line of Section
1210 feet from W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Quenzer Well #: 4
Field Name: Lazy 17

Producing Formation: None
Elevation: Ground: 2486 Kelly Bushing: 2496
Total Depth: 4529 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 223 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
(Data must be collected from the Reserve Pit) *ALT II WITHIN 1-25-08*
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 10, 2008

Subscribed and sworn to before me this 10th day of January,
2008.

Notary Public: 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

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JAN 11 2008

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Palomino Petroleum, Inc. Lease Name: Quenzer Well #: 4
 Sec. 13 Twp. 17 S. R. 26 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 Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No
 (Submit Copy)

List All E. Logs Run:

Radiation Guard, Sonic

Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
Anhy.	1840	(+ 656)
Base Anhy.	1868	(+ 628)
Topeka	3514	(-1018)
Heebner	3785	(-1289)
LKC	3825	(-1329)
BKC	4128	(-1632)
Marmaton	4177	(-1681)
Pawnee	4261	(-1765)

CASING RECORD New 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#	223'	Common	160	2% gel, 3% c.c.

ADDITIONAL CEMENTING / SQUEEZE RECORD

Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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 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 Vented Sold Used on Lease (If vented, Submit ACO-18.)

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

Production Interval _____

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LOGS

Ft. Scott	4331	(-1835)
Cherokee Sh.	4354	(-1858)
Miss.	4434	(-1938)
LTD	4529	(-2033)

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CONSERVATION DIVISION
WICHITA, KS



INVOICE

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

Invoice Number: 110518
Invoice Date: Oct 9, 2007
Page: 1

RECEIVED
OCT 12 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	Quenzer #4	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Oakley	Oct 9, 2007	11/8/07

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
9.00	MAT	Gel	16.65	149.85
68.00	MAT	Flo Seal	2.00	136.00
286.00	SER	Handling	1.90	543.40
30.00	SER	Mileage 286 sx @.09 per sk per mi	25.74	772.20
1.00	SER	Plug to Abandon	955.00	955.00
30.00	SER	Mileage Pump Truck	6.00	180.00

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

\$ 551.94

ONLY IF PAID ON OR BEFORE

Nov 8, 2007

Subtotal	5,519.45
Sales Tax	292.53
Total Invoice Amount	5,811.98
Payment/Credit Applied	
TOTAL	5,811.98

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CONSERVATION DIVISION
WICHITA, KS



INVOICE

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

Invoice Number: 110352

Invoice Date: Sep 28, 2007

Page: 1

RECEIVED

OCT 03 2007

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

Bill To:

Palomino Petroleum, Inc.
4924 SE 84th St.
Newton, KS 67114-8827



Customer ID	Well Name # or Customer P.O.	Payment Terms	
Palo	Qusnzer #4	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Great Bend	Sep 28, 2007	10/28/07

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
29.00	SER	Mileage 168 sx @.09 per sk per mi	15.12	438.48
1.00	SER	Surface	815.00	815.00
29.00	SER	Mileage Pump Truck	6.00	174.00
1.00	SER	Head Rental	100.00	100.00
1.00	EQP	Wooden Plug	60.00	60.00

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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

\$ 396.56

ONLY IF PAID ON OR BEFORE

Oct 28, 2007

Subtotal	3,965.63
Sales Tax	112.30
Total Invoice Amount	4,077.93
Payment/Credit Applied	
TOTAL	4,077.93

ALLIED CEMENTING CO., INC.

30422

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

SERVICE POINT:
Great Bend KS

DATE <i>9-25-07</i>	SEC. <i>13</i>	TWP. <i>17S</i>	RANGE <i>28W</i>	CALLED OUT <i>9:30 PM</i>	ON LOCATION <i>1:00 AM</i>	JOB START <i>4:00 AM</i>	JOB FINISH <i>5:00 AM</i>
LEASE <i>QUINZER</i>	WELL # <i>H</i>	LOCATION <i>UTICA 1/2 E 55 1E 1/4 N</i>			COUNTY <i>NESS</i>	STATE <i>KS</i>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR *Southwind Rig 1*

TYPE OF JOB *5 SURFACE*

HOLE SIZE *12 1/2* T.D. *224*

CASING SIZE *8 5/8 24 1/2* DEPTH *223*

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 1/4 BBLs*

EQUIPMENT

OWNER *Palamino-Petroleum*

CEMENT

AMOUNT ORDERED *160 sy common + 3% CC + 2% GEL*

PUMP TRUCK CEMENTER *DWAYNE W*

120 HELPER *WAYNE D*

BULK TRUCK

347 DRIVER *KEVIN W*

BULK TRUCK

_____ DRIVER _____

COMMON	<i>160</i>	@	<i>11.10</i>	<i>1776.00</i>
POZMIX		@		
GEL	<i>3</i>	@	<i>16.65</i>	<i>49.95</i>
CHLORIDE	<i>5</i>	@	<i>46.60</i>	<i>233.00</i>
ASC		@		

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HANDLING	<i>168</i>	@	<i>1.90</i>	<i>319.20</i>
MILEAGE	<i>29.9.168</i>	@		<i>438.48</i>
				TOTAL <i>2816.63</i>

REMARKS:

*pipe on bottom breaks cite
pump 160 sy common + 3% cc
+ 2% GEL SHUT DOWN RELEASED
plug and disp with 13 1/4 BBLs
FRESH WATER SHUT IN CEMENT
DID CIRCULATE*

Rig down.

SERVICE

DEPTH OF JOB	<i>224</i>			
PUMP TRUCK CHARGE				<i>815.00</i>
EXTRA FOOTAGE		@		
MILEAGE	<i>29</i>	@	<i>6.00</i>	<i>174.00</i>
MANIFOLD HEAD RENT		@		<i>100.00</i>
				TOTAL <i>1089.00</i>

CHARGE TO: *Palamino-Petroleum*

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

<i>18 5/8 wooden plug</i>				<i>60.00</i>
	@			
	@			
	@			
	@			
				TOTAL <i>60.00</i>

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.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE *x Frank J. Rome*

x Frank J. Rome
PRINTED NAME