

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: 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. _____

9/14/07	9/24/07	9/24/07
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24702-00-00
County: Ness
 N/2 N/2 NW Sec. 24 Twp. 17 S. R. 26 East West
100 feet from S (N) (circle one) Line of Section
1240 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) (NE) SE NW SW
Lease Name: Norton-Klement Well #: 1
Field Name: Lazy 17

Producing Formation: None
Elevation: Ground: 2463 Kelly Bushing: 2473
Total Depth: 4508 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 224 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 w/Am 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,
20 08.

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

KCC Office Use ONLY

Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received **RECEIVED**
 Geologist Report Received **KANSAS CORPORATION COMMISSION**
 UIC Distribution **JAN 11 2008**
CONSERVATION DIVISION
WICHITA, KS

Operator Name: Palomino Petroleum, Inc. Lease Name: Norton-Klement Well #: 1
 Sec. 24 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 <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: Radiation Guard, Sonic, Micro	<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>1816</td> <td>(+ 659)</td> </tr> <tr> <td>Base Anhy.</td> <td>1846</td> <td>(+ 627)</td> </tr> <tr> <td>Topeka</td> <td>3489</td> <td>(-1016)</td> </tr> <tr> <td>Heebner</td> <td>3752</td> <td>(-1279)</td> </tr> <tr> <td>LKC</td> <td>3799</td> <td>(-1326)</td> </tr> <tr> <td>BKC</td> <td>4108</td> <td>(-1635)</td> </tr> <tr> <td>Marmaton</td> <td>4167</td> <td>(-1694)</td> </tr> <tr> <td>Pawnee</td> <td>4233</td> <td>(-1760)</td> </tr> </table>	Name	Top	Datum	Anhy.	1816	(+ 659)	Base Anhy.	1846	(+ 627)	Topeka	3489	(-1016)	Heebner	3752	(-1279)	LKC	3799	(-1326)	BKC	4108	(-1635)	Marmaton	4167	(-1694)	Pawnee	4233	(-1760)
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Pawnee	4233	(-1760)																										

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#	224'	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 <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	Production Interval
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RECEIVED
WYOMING CORPORATION COMMISSION
JAN 1 1983
 CONSERVATION DIVISION
 WICHITA, KS

LOGS

Ft. Scott	4306	(-1833)
Cherokee Sh.	4329	(-1856)
Miss.	4404	(-1931)
LTD	4508	(-2035)

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: 110351
Invoice Date: Sep 28, 2007
Page: 1

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

RECEIVED
OCT 03 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 Klement #1	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
159.00	MAT	Common Class A	11.10	1,764.90
106.00	MAT	Pozmix	6.20	657.20
11.00	MAT	Gel	16.65	183.15
66.00	MAT	Flo Seal	2.00	132.00
279.00	SER	Handling	1.90	530.10
33.00	SER	Mileage 279 sx @.09 per sk per mi	25.11	828.63
1.00	SER	Rotary Plug	815.00	815.00
33.00	SER	Mileage Pump Truck	6.00	198.00

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

\$ 510.90

ONLY IF PAID ON OR BEFORE

Oct 28, 2007

Subtotal	5,108.98
Sales Tax	270.78
Total Invoice Amount	5,379.76
Payment/Credit Applied	
TOTAL	5,379.76

ALLIED CEMENTING CO., INC.

30890

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

SERVICE POINT:

H.B.

DATE <i>9-24-07</i>	SEC <i>24</i>	TWP. <i>17</i>	RANGE <i>26</i>	CALLED OUT <i>12:00 PM</i>	ON LOCATION <i>4:00 PM</i>	JOB START <i>8:00 AM</i>	JOB FINISH <i>7:00 PM</i>
LEASE <i>Norton</i>	WELL # <i>1</i>	LOCATION <i>U# ca 16.55 #15</i>			COUNTY <i>N-55</i>	STATE <i>K.S.</i>	
OLD OR NEW (Circle one)							

CONTRACTOR *Southwind Rig 1*

TYPE OF JOB *Rotary Plug*

HOLE SIZE _____ T.D. *4510 ft*

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE *4 1/2* DEPTH *1840 ft*

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT AMOUNT ORDERED *265 60/46 47 gal*

1 # flo seal per sk

COMMON	<i>159</i>	@	<i>11.10</i>	<i>1764.90</i>
POZMIX	<i>106</i>	@	<i>6.20</i>	<i>657.20</i>
GEL	<i>11</i>	@	<i>16.65</i>	<i>183.15</i>
CHLORIDE		@		
ASC		@		
<i>Flo seal 66</i>		@	<i>2.00</i>	<i>132.00</i>
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<i>279</i>	@	<i>1.90</i>	<i>530.10</i>
MILEAGE	<i>33.9</i>	@	<i>27.9</i>	<i>828.63</i>
TOTAL				<i>4095.98</i>

EQUIPMENT

PUMP TRUCK CEMENTER *Mike m*

181 HELPER *J.D.*

BULK TRUCK DRIVER *Tyler*

344

BULK TRUCK DRIVER _____

REMARKS:

50 ft at 1840 ft

80 ft at 1160 ft

40 ft at 550 ft

50 ft at 260 ft

20 ft at 60 ft

15 ft in RH

10 ft in RH

SERVICE

DEPTH OF JOB *1840 ft*

PUMP TRUCK CHARGE *815.00*

EXTRA FOOTAGE _____ @ _____

MILEAGE *33* @ *6.00* *198.00*

MANIFOLD _____ @ _____

_____ @ _____

_____ @ _____

TOTAL *1013.00*

CHARGE TO: *Palomino Petr*

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL *0*

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.

Thank you
CH

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE *Frank J. Rome*

Frank J. Rome
PRINTED NAME



ALLIED

CEMENTING CO., LLC
Cementing & Acidizing Services

INVOICE

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

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

RECEIVED

SEP 21 2007

Invoice Number: 110197

Invoice Date: Sep 19, 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 Kiemert #1	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Great Bend	Sep 19, 2007	10/19/07

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
33.00	SER	Mileage 168 sx @.09 per sk per mi	15.12	498.96
1.00	SER	Surface	815.00	815.00
33.00	SER	Mileage Pump Truck	6.00	198.00
1.00	SER	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

\$ 405.01

ONLY IF PAID ON OR BEFORE

Oct 19, 2007

Subtotal	4,050.11
Sales Tax	112.30
Total Invoice Amount	4,162.41
Payment/Credit Applied	
TOTAL	4,162.41

ALLIED CEMENTING CO., INC.

30882

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

SERVICE POINT: G.B. Noss

DATE <u>9-15-07</u>	SEC <u>24</u>	TWP. <u>17s</u>	RANGE <u>26w</u>	CALLED OUT <u>9:30 AM</u>	ON LOCATION <u>1:30 AM</u>	JOB START <u>4 AM</u>	JOB FINISH <u>5 AM</u>
LEASE <u>Norton Cement</u>		WELL # <u>1</u>	LOCATION <u>Utca 1/2 E 55 E/S</u>		COUNTY <u>Noss</u>	STATE <u>K.S.</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Southwind Rig 1

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 226 ft

CASING SIZE 8 1/2 DEPTH 226 ft

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. 15 ft

PERFS. _____

DISPLACEMENT 13 bbl

OWNER _____

CEMENT AMOUNT ORDERED 160 M Common

37cc 27 gal

EQUIPMENT

PUMP TRUCK CEMENTER Mike

181 HELPER Randy

BULK TRUCK # 312 DRIVER Tyler

BULK TRUCK # _____ DRIVER _____

COMMON	<u>160</u>	@	<u>11.10</u>	<u>1776.00</u>
POZMIX		@		
GEL	<u>3</u>	@	<u>16.65</u>	<u>49.95</u>
CHLORIDE	<u>5</u>	@	<u>46.60</u>	<u>233.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>168</u>	@	<u>1.90</u>	<u>319.20</u>
MILEAGE	<u>33.9.168</u>			<u>498.96</u>
TOTAL				<u>2877.11</u>

REMARKS:

Circulate the Hole with Rig Mud Pump

Mix Cement & Release the Plug Displace the plug Down with water

Cement did circulate to surface

SERVICE

DEPTH OF JOB	<u>226 ft</u>		
PUMP TRUCK CHARGE			<u>815.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>33</u>	@	<u>6.00</u> <u>198.00</u>
MANIFOLD	<u>headrent</u>	@	<u>100.00</u>
		@	
TOTAL			<u>1113.00</u>

CHARGE TO: Palomino Petr

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.

PLUG & FLOAT EQUIPMENT

<u>1-8 1/2 wooden Plug</u>	<u>60.00</u>
TOTAL	<u>60.00</u>

SIGNATURE Frank J. Rome

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

Frank J. Rome

PRINTED NAME