

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

Form ACO-1
September 1999
Form Must Be Typed

ORIGINAL

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>12/4/06</u>	<u>12/10/06</u>	<u>12/10/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 163-23576-0000
 County: Rooks
 N/2 SW NE Sec. 31 Twp. 7 S. R. 20 East West
1620 feet from S / (N) (circle one) Line of Section
1990 feet from (E) W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) (NE) SE NW SW
 Lease Name: Benoit Well #: 1
 Field Name: None (Wildcat)
 Producing Formation: None
 Elevation: Ground: 1980 Kelly Bushing: 1990
 Total Depth: 3549 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 PA A H II NH 6-23-08
 (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: February 27, 2007
 Subscribed and sworn to before me this 27th day of February,
 20 07.

Notary Public Carla R. Penwell
 NOTARY PUBLIC - State of Kansas
 CARLA R. PENWELL
 Date of Commission Expires October 6, 2009
 Carla R. Penwell

KCC Office Use ONLY

N Letter of Confidentiality Received
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

RECEIVED
FEB 28 2007
KCC WICHITA

Operator Name: Palomino Petroleum, Inc. Lease Name: Benoit Well #: 1
 Sec. 31 Twp. 7 S. R. 20 East West County: Rooks

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

Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
Anhy.	1573	(+ 417)
Base Anhy.	1606	(+ 384)
Topeka	2976	(- 986)
Heebner	3182	(-1192)
Toronto	3206	(-1216)
LKC	3220	(-1230)
BKC	3422	(-1432)
Marmaton	3456	(-1466)

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 7/8"	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
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ Plug Off Zone				

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

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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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)
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Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
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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

RECEIVED

FEB 28 2007

KCC WICHITA

LOGS

Arbuckle	3496	(-1506)
LTD	3549	(-1559)

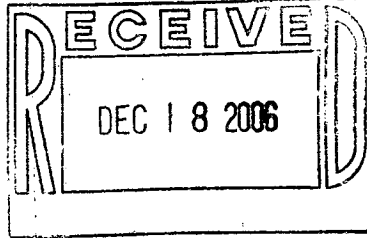
RECEIVED
FEB 28 2007
KCC WICHITA

Allied Cementing Co., Inc
P.O. Box 31
Russell, KS 67665

* * * * *
* I N V O I C E *
* * * * *

Invoice Number: 105926

Invoice Date: 12/15/06



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

Cust I.D.....: Palo
P.O. Number...: Benoit #1
P.O. Date.....: 12/15/06

Due Date.: 01/14/07
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	120.00	SKS	10.6500	1278.00	T
Pozmix	80.00	SKS	5.8000	464.00	T
Gel	10.00	SKS	16.6500	166.50	T
FloSeal	50.00	LBS	2.0000	100.00	T
Rotary Plug	1.00	JOB	955.0000	955.00	T
Mileage pmp trk	70.00	MILE	6.0000	420.00	T
Handling	210.00	SKS	1.9000	399.00	T
Mileage	70.00	MILE	18.9000	1323.00	T
210 sks @.09 per sk per mi					
Dry hole plug	1.00	EACH	35.0000	35.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of 514.05
ONLY if paid within 30 days from Invoice Date

Subtotal:	5140.50
Tax.....:	272.45
Payments:	0.00
Total....:	5412.95

RECEIVED
FEB 28 2007
KCC WICHITA

ALLIED CEMENTING CO., INC.

33455

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

SERVICE POINT:

Russell

DATE <u>12-10-06</u>	SEC <u>31</u>	TWP <u>7 S</u>	RANGE <u>20W</u>	CALLED OUT	ON LOCATION <u>11:30AM</u>	JOB START <u>4:00PM</u>	JOB FINISH <u>5:00PM</u>
LEASE <u>Benoit</u>	WELL# <u>1</u>	LOCATION <u>Nicodemus 2E 1/2 N</u>		COUNTY <u>Grant</u>	STATE <u>KANSAS</u>		
OLD OR NEW (Circle one) <u>NEW</u>				Rocks			

CONTRACTOR Southwind Dalg. Rig #1

TYPE OF JOB Rotary Plug

HOLE SIZE 7 7/8 T.D. 3550

CASING SIZE 8 5/8 SURFACE DEPTH

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 x-H DEPTH @ 1590

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT AMOUNT ORDERED 200 SK 40 60 GEL
1/4 # FIO-SEAL
PER SK

COMMON	<u>120</u>	@ <u>10.65</u>	<u>1278.00</u>
POZMIX	<u>80</u>	@ <u>5.80</u>	<u>464.00</u>
GEL	<u>10</u>	@ <u>16.65</u>	<u>166.50</u>
CHLORIDE		@	
ASC		@	
		@	
	<u>Flo Seal 50#</u>	@ <u>2.00</u>	<u>1.00.00</u>
		@	
		@	
		@	
		@	
		@	
HANDLING	<u>210</u>	@ <u>1.90</u>	<u>399.00</u>
MILEAGE	<u>70 TON Mile</u>		<u>1323.00</u>
TOTAL			<u>3730.50</u>

EQUIPMENT

PUMP TRUCK CEMENTER Glean

398 HELPER GARY

BULK TRUCK

410 DRIVER BOB

BULK TRUCK

_____ DRIVER _____

REMARKS:

25 SK @ 1590
100 SK @ 8:80
40 SK @ 350
10 SK @ 40'
10 SK @ mouse hole
15 SK @ Rat Hole
THANKS

SERVICE

DEPTH OF JOB		
PUMP TRUCK CHARGE		<u>955.00</u>
EXTRA FOOTAGE	@	
MILEAGE	<u>70</u>	@ <u>6.00</u> <u>420.00</u>
MANIFOLD	@	
	@	
	@	
TOTAL <u>1375.00</u>		

CHARGE TO: Palomino Petroleum

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

<u>8 5/8 Dry Hole Plug</u>	<u>35.00</u>
	@
	@
	@
	@
TOTAL <u>35.00</u>	

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 Doug Roberts

Doug Roberts
PRINTED NAME

Allied Cementing Co., Inc
P.O. Box 31

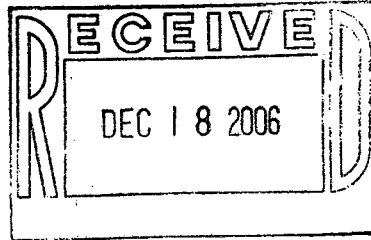
Russell, KS 67665

* I N V O I C E *

Invoice Number: 105925

Invoice Date: 12/15/06

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



Cust I.D.....: Palo
P.O. Number...: Benoit #1
P.O. Date.....: 12/15/06

Due Date.: 01/14/07
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	160.00	SKS	10.6500	1704.00	T
Gel	3.00	SKS	16.6500	49.95	T
Chloride	5.00	SKS	46.6000	233.00	T
Handling	168.00	SKS	1.9000	319.20	E
Mileage	71.00	MILE	15.1200	1073.52	E
168 sks @.09 per sk per mi					
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	71.00	MILE	6.0000	426.00	E
Wooden Plug	1.00	EACH	60.0000	60.00	T

All Prices Are Net, Payable 30 Days Following	Subtotal:	4680.67
Date of Invoice. 1 1/2% Charged Thereafter.	Tax.....:	108.49
If Account CURRENT take Discount of <u>468.07</u>	Payments:	0.00
ONLY if paid within 30 days from Invoice Date	Total....:	4789.16

ALLIED CEMENTING CO., INC.

33397

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

SERVICE POINT:

Russell

DATE <u>12-4-06</u>	SEC. <u>31</u>	TWP. <u>7</u>	RANGE <u>20</u>	CALLED OUT	ON LOCATION	JOB START <u>9:30am</u>	JOB FINISH <u>9:45pm</u>
LEASE <u>Benoit</u>	WELL # <u>1</u>	LOCATION <u>Danar on 24 Hwy</u>			COUNTY <u>Rooks</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one) <u>NEW</u>				<u>1 1/2w into</u>			

CONTRACTOR Southwind Drilling
 TYPE OF JOB Surface Job
 HOLE SIZE _____ T.D. 227
 CASING SIZE 8 5/8 20b DEPTH 212
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT 15
 CEMENT LEFT IN CSG. 15
 PERFS. _____
 DISPLACEMENT 13.8bl

OWNER _____
 CEMENT AMOUNT ORDERED 1160ccm 30/0CC
2900GFL

COMMON	<u>160</u>	@	<u>10.65</u>	<u>1704.00</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>190</u>	<u>31920</u>
MILEAGE	<u>94/SK</u>	MILE		<u>107352</u>
TOTAL				<u>337967</u>

EQUIPMENT

PUMP TRUCK CEMENTER Craig
 # 409 HELPER Adrian
 BULK TRUCK
 # 345 DRIVER Doug
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

Cement Circulated!

Thanks

CHARGE TO: Palomino Petroleum
 STREET _____
 CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB	_____			
PUMP TRUCK CHARGE				<u>815.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>71</u>	@	<u>6.00</u>	<u>426.00</u>
MANIFOLD		@		
		@		
		@		
TOTAL				<u>1241.00</u>

PLUG & FLOAT EQUIPMENT

<u>1 8 5/8</u>	<u>Wooden Plug (Surface)</u>	<u>60.00</u>
	@	
	@	
	@	
	@	
	@	
TOTAL		<u>60.00</u>

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Thanks!
 SIGNATURE Doug Roberts

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS
DOUG ROBERTS
 PRINTED NAME