

**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: NCRA  
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>5/17/07</u>	<u>5/26/07</u>	<u>5/26/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24644-0000  
County: Ness  
SE NW SW Sec. 25 Twp. 19 S. R. 25  East  West  
1720 feet from S N (circle one) Line of Section  
1070 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: Barrows Trust Well #: 2  
Field Name: Wesley Ext.  
Producing Formation: Mississippian

Elevation: Ground: 2379 Kelly Bushing: 2389  
Total Depth: 4551 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 1628 Feet  
If Alternate II completion, cement circulated from 1628  
feet depth to surface w/ 150 sx cmt.

**Drilling Fluid Management Plan** AH II NH 7-15-08  
(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: [Signature]  
Title: President Date: August 23, 2007

Subscribed and sworn to before me this 23rd day of August, 2007.

Notary Public: Carla R. Penwell  
Carla R. Penwell  
NOTARY PUBLIC - State of Kansas  
Date Commission Expires: October 20, 2009  
My Appt. Expires 10-6-09

**KCC Office Use ONLY**

N Letter of Confidentiality Received

If Denied, Yes  Date: \_\_\_\_\_

Wireline Log Received **RECEIVED**

Geologist Report Received **KANSAS CORPORATION COMMISSION**

\_\_\_\_ UIC Distribution **AUG 27 2007**

CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Palomino Petroleum, Inc. Lease Name: Barrows Trust Well #: 2

Sec. 25 Twp. 19 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  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.	1647	(+ 742)
Base Anhy.	1685	(+ 704)
Topeka	3450	(-1061)
Heebner	3762	(-1373)
LKC	3806	(-1417)
BKC	4133	(-1744)
Marmaton	4169	(-1780)
Pawnee	4248	(-1859)

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#	224'	Common	160	2% gel, 3% c.c.
Production	7 7/8"	5 1/2"	14#	4542'	EA2	175	500 gal. mud flush
							w/add., 20 bbls. KCL water

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 (Amount and Kind of Material Used)	Depth
4	4445-4452		

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 7/8"	4502'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Resumerd Production, SWD or Enhr.	Producing Method
6/9/07	<input type="checkbox"/> Flowing <input checked="" 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
	85%	93	15%	17	

Disposition of Gas

METHOD OF COMPLETION

Production Interval

Vented  Sold  Used on Lease  
(If vented, Submit ACO-18.)

Open Hole  Perf.  Dually Comp.  Commingled  
 Other (Specify) \_\_\_\_\_

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WICHITA KS

**LOGS**

Ft. Scott	4319	(-1930)
Cherokee Sh.	4344	(-1955)
Miss. Dolo.	4424	(-2035)
LTD	4551	(-2162)

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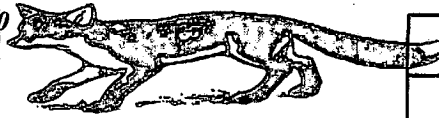
CONSERVATION DIVISION  
WICHITA, KS

# SWIFT



Services, Inc.

P. O. Box 466  
Ness City, KS 67560  
Off: 785-798-2300



## Invoice

DATE	INVOICE #
5/26/2007	12026

BILL TO
Palomino Petroleum Inc. 4924 S E 84th Street Newton, KS 67114-8827

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MAY 31 2007

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#2	Barrow Trust	Ness	SouthWind Drillin...	Oil	Development	Cement LongStri...	Nick
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				60	Miles	4.00	240.00
578D-L	Pump Charge - Long String - 4550 Feet				1	Job	1,250.00	1,250.00
221	Liquid KCL (Clayfix)				2	Gallon(s)	26.00	52.00T
281	Mud Flush				500	Gallon(s)	0.75	375.00T
402-5	5 1/2" Centralizer				9	Each	95.00	855.00T
403-5	5 1/2" Cement Basket				3	Each	290.00	870.00T
404-5	5 1/2" Port Collar				1	Each	2,300.00	2,300.00T
406-5	5 1/2" Latch Down Plug & Baffle				1	Each	235.00	235.00T
407-5	5 1/2" Insert Float Shoe With Auto Fill				1	Each	310.00	310.00T
419-5	5 1/2" Rotating Head Rental				1	Each	250.00	250.00T
325	Standard Cement				175	Sacks	12.00	2,100.00T
276	Flocele				44	Lb(s)	1.25	55.00T
283	Salt				900	Lb(s)	0.20	180.00T
284	Calseal				8	Sack(s)	30.00	240.00T
285	CFR-1				82	Lb(s)	4.00	328.00T
581D	Service Charge Cement				175	Sacks	1.10	192.50
583D	Drayage				182.76	Ton Miles	1.00	182.76
	Subtotal							10,015.26
	Sales Tax Ness County						5.30%	431.95

**We Appreciate Your Business!**

**Total**

\$10,447.21  
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CONSERVATION DIVISION  
WICHITA, KS



CHARGE TO: *Galena Petroleum*  
 ADDRESS:  
 CITY, STATE, ZIP CODE:

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AUG 27 2007

TICKET

Nº 12026

CONSERVATION DIVISION  
 WICHITA, KS

PAGE 1 OF 2

SERVICE LOCATIONS  
 1. *Hays, Ks*  
 2. *Ness City, Ks*  
 3.  
 4. REFERRAL LOCATION

WELL/PROJECT NO. *#2*  
 LEASE *Barrow Trust*  
 COUNTY/PARISH *Ness*  
 STATE *Ks*  
 CITY  
 DATE *5-26-07*  
 OWNER *Same*

TICKET TYPE  
 SERVICE  
 SALES  
 CONTRACTOR *Southwind #1*  
 RIG NAME/NO.  
 SHIPPED VIA *ct*  
 DELIVERED TO *Location*  
 ORDER NO.

WELL TYPE *oil*  
 WELL CATEGORY *development*  
 JOB PURPOSE *cement longstring*  
 WELL PERMIT NO.  
 WELL LOCATION

INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE <i>#103</i>	60		mi		4 <sup>00</sup>	240 <sup>00</sup>
578		1			Pump Charge ( <i>Longstring</i> )	1		ea	4550	1250 <sup>00</sup>	1250 <sup>00</sup>
221		1			KEL	2		gal		26 <sup>00</sup>	52 <sup>00</sup>
281		1			Mudflash	500		gal		75	375 <sup>00</sup>
402		1			Centralizers	9		ea	5 1/2"	95 <sup>00</sup>	855 <sup>00</sup>
403		1			Baskets	3		ea		290 <sup>00</sup>	870 <sup>00</sup>
404		1			Port Collar	1		ea		2300 <sup>00</sup>	2300 <sup>00</sup>
406		1			L D Plug + Bag Pls	1		ea		235 <sup>00</sup>	235 <sup>00</sup>
407		1			Insert Float Shoe w/Pl	1		ea		310 <sup>00</sup>	310 <sup>00</sup>
419		2			Rotating Head	1		ea		250 <sup>00</sup>	250 <sup>00</sup>

**LEGAL TERMS:** Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

X  
 DATE SIGNED *5-26-07* TIME SIGNED  A.M.  P.M.

REMIT PAYMENT TO:  
 SWIFT SERVICES, INC.  
 P.O. BOX 466  
 NESS CITY, KS 67560  
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL	AMOUNT
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				<i>page 2</i>	6792 <sup>00</sup>
WE UNDERSTOOD AND MET YOUR NEEDS?					3278 <sup>26</sup>
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				<i>subtotal</i>	10015 <sup>26</sup>
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				<i>Ness TAX 5.3%</i>	431 <sup>95</sup>
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	10,447 <sup>21</sup>
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.

SWIFT OPERATOR *Mike Koole* APPROVAL *[Signature]*

Thank You!



PO Box 466  
Ness City, KS 67560  
Off: 785-798-2300

TICKET CONTINUATION

TICKET No. 12026

CUSTOMER *Palomino Petroleum* WELL *Barrows Trust #2* DATE *5-26-07* PAGE *2* OF *2*

PRICE REFERENCE	SECONDARY REFERENCE / PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY		UM		UNIT PRICE	AMOUNT					
		LOC	ACCT	DF			QTY	UM	QTY	UM							
325		2				Standard Cement	175	SKS			12 <sup>00</sup>	2100	00				
276		2				Flocote	44	#	1/4	#/SK	1 <sup>25</sup>	55	00				
283		2				Salt	900	#	10	%	8 <sup>20</sup>	180	00				
284		2				Calseal	8	SKS	5	%	30 <sup>00</sup>	240	00				
285		2				CFR-1	82	#	0.5	%	4 <sup>00</sup>	328	00				
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CONSERVATION DIVISION																	
WICHITA, KS																	
581		2				SERVICE CHARGE	175	SKS			1 <sup>10</sup>	182	50				
583		2				MILEAGE CHARGE	182.76		20		1 <sup>00</sup>	182	76				
												TOTAL WEIGHT		LOADED MILES		TON MILES	
												182.76		20		182.76	

CONTINUATION TOTAL 3278<sup>26</sup>

CUSTOMER **Salamina Petroleum** WELL NO. **#2** LEASE **Barrow Trust** JOB TYPE **Cement long string** TICKET NO. **12026**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0730							on loc w/FE RTD 4550 5 1/2" x 14" x 4538' x 22' Cent. 1, 2, 3, 5, 7, 10, 15, 25, 68 Basket 3, 6, 69 P.C. 69 @ 1628'
	1140							Start FE
	1345							Break Circ.
	1500	2	3/2					Plug Rth/MH 25sks EA-2
	1510	4	0			100		start Preflushes 500gal Mud Flush 20 gal KCL Flush
	1518	5.5	32/0			200		start Cement 150sks EA-2
	1524		36					End Cement Wash P&H Drop Plug
	1528	6.5	0			200		start Displacement
	1540	5	80			300		Catch Cement
	1545		110			250 1400		Land Plug Release Pressure Float Held

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CONSERVATION DIVISION  
WICHITA KS

Thank you

Nick, Josh & Brett

RECEIVED

MAY 25 2007

Allied Cementing Co., LLC  
24 S. Lincoln  
P.O. Box 31  
Russell, KS 67665

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

Invoice Number: 108824

Invoice Date: 05/23/07

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

Cust I.D.....: Palo  
P.O. Number...: Barrows #2  
P.O. Date.....: 05/23/07

Due Date.: 06/22/07  
Terms.....: Net 30

Salesperson...:

Item I.D./Desc.	Ordered	Unit	Price	Net	TX
Common	160.00	SKS	11.1000	1776.00	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	18.00	MILE	15.1200	272.16	E
168 sks @.09 per sk per mi					
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	18.00	MILE	6.0000	108.00	E
Head Rent	1.00	PER	100.0000	100.00	E
Plug	1.00	EACH	60.0000	60.00	T

All Prices Are Net, Payable 30 Days Following  
Date of Invoice. 1 1/2% Charged Thereafter.  
If Account CURRENT take Discount of 373.33  
ONLY if paid within 30 days from Invoice Date

Subtotal:	3733.31
Tax.....:	112.30
Payments:	0.00
Total....:	3845.61

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WICHITA, KS



