

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

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. _____

| | | |
|-----------------------------------|-----------------|---|
| 5/7/07 | 5/16/07 | 5/16/07 |
| Spud Date or Recompletion Date | Date Reached TD | Completion Date or Recompletion Date |

API No. 15 - 135-24635-0000

County: Ness

 NW NE NW Sec. 11 Twp. 17 S. R. 26 ☐ East ☒ West

380 feet from S (N) (circle one) Line of Section

1560 feet from E (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one): NE SE (NW) SW

Lease Name: Davidson-Johnson Well #: 1

Field Name: Dumler

Producing Formation: None

Elevation: Ground: 2528 Kelly Bushing: 2538

Total Depth: 4560 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 Art II NW 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: Klee R. Watchous

Title: President Date: August 3, 2007

Subscribed and sworn to before me this 3rd day of August

20 07

Notary Public: Carla R. Penwell

Carla R. Penwell NOTARY PUBLIC - State of Kansas

Date Commission Expires: October 6, 2009

My Appt. Expires 10-6-09

KCC Office Use ONLY

N Letter of Confidentiality Received

☒ If Denied, Yes ☐ Date: _____

☒ Wireline Log Received

☒ Geologist Report Received

☐ UIC Distribution

RECEIVED

KANSAS CORPORATION COMMISSION

AUG 07 2007

CONSERVATION DIVISION
WICHITA KS

Operator Name: Palomino Petroleum, Inc. Lease Name: Davidson-Johnson Well #: 1
 Sec. 11 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

| <input checked="" type="checkbox"/> Log | Formation (Top), Depth and Datum | <input type="checkbox"/> Sample |
|---|----------------------------------|---------------------------------|
| Name | Top | Datum |
| Anhy. | 1908 | (+ 630) |
| Base Anhy. | 1941 | (+ 597) |
| Topeka | 3560 | (-1022) |
| Heebner | 3824 | (-1286) |
| LKC | 3865 | (-1327) |
| BKC | 4170 | (-1632) |
| Marmaton | 4212 | (-1674) |
| Pawnee | 4296 | (-1758) |

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. |
| | | | | | | | |
| | | | | | | | |

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 |
|----------------|---|---|-------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| TUBING RECORD | Size | Set At | Packer At | Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
|---|---|---------|-------------|---|
| Date of First, Resumed 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

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

☐ Open Hole ☐ Perf. ☐ Dually Comp. ☐ Commingled
☐ Other (Specify) _____

RECEIVED
 KANSAS CORPORATION COMMISSION

AUG 07 2007

CONSERVATION DIVISION
 WICHITA, KS

LOGS

| | | |
|--------------|------|---------|
| Ft. Scott | 4371 | (-1833) |
| Cherokee Sh. | 4395 | (-1857) |
| Conglomerate | 4450 | (-1912) |
| Miss. Lime | 4470 | (-1932) |
| Miss. Dolo. | 4473 | (-1935) |
| LTD | 4560 | (-2022) |

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 07 2007

CONSERVATION DIVISION
WICHITA, KS

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: 108823

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...: Davidson/Johnson #1
P.O. Date.....: 05/23/07

Salesperson...

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

| Item I.D./Desc. | Ordered | Unit | Price | Net | TX |
|----------------------------|---------|------|----------|---------|----|
| Common | 159.00 | SKS | 11.1000 | 1764.90 | T |
| Pozmix | 106.00 | SKS | 6.2000 | 657.20 | T |
| Chloride | 14.00 | SKS | 16.6500 | 233.10 | T |
| FloSeal | 66.00 | LBS | 2.0000 | 132.00 | T |
| Handling | 281.00 | SKS | 1.9000 | 533.90 | T |
| Mileage | 29.00 | MILE | 25.2900 | 733.41 | T |
| 281 sks @.09 per sk per mi | | | | | |
| Rotary Plug | 1.00 | JOB | 815.0000 | 815.00 | T |
| Mileage pmp trk | 29.00 | MILE | 6.0000 | 174.00 | T |

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of 504.35
ONLY if paid within 30 days from Invoice Date

Subtotal: 5043.51
Tax.....: 267.31
Payments: 0.00
Total....: 5310.82

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 07 2007

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC.

30352

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

SERVICE POINT:

Newton City
Great Bend

| | | | | | | | |
|-------------------------------|-----------------|---|-----------------|--------------------------|---------------------------|-------------------------|--------------------------|
| DATE <u>5-17-07</u> | SEC. <u>11</u> | TWP. <u>17</u> | RANGE <u>26</u> | CALLED OUT <u>1:00AM</u> | ON LOCATION <u>2:00AM</u> | JOB START <u>3:00AM</u> | JOB FINISH <u>5:00AM</u> |
| LEASE <u>Davidson Johnson</u> | WELL # <u>1</u> | LOCATION <u>Utica 1/2 east, 3 1/2 south</u> | | | COUNTY <u>Ness</u> | STATE <u>Kansas</u> | |
| OLD OR NEW (Circle one) | | | <u>1/4 west</u> | | | | |

CONTRACTOR Southwind

TYPE OF JOB Rotary Plug

HOLE SIZE 7 7/8 T.D. 4561'

CASING SIZE DEPTH

TUBING SIZE DEPTH

DRILL PIPE 4 1/2 XH DEPTH 1950'

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG.

PERFS.

DISPLACEMENT

OWNER Palomino Petroleum

CEMENT

AMOUNT ORDERED 265 ax 60/40 po2
6% Gel 1/4" flo seal per ax.

| | | | | |
|----------|-------------------|-----------|--------------|----------------|
| COMMON | <u>159 ml.</u> | @ | <u>11.10</u> | <u>1764.90</u> |
| POZMIX | <u>106 ax.</u> | @ | <u>6.20</u> | <u>657.20</u> |
| GEL | | @ | | |
| CHLORIDE | <u>14 ml.</u> | @ | <u>16.65</u> | <u>233.10</u> |
| ASC | | @ | | |
| FLOSEAL- | <u>66 #</u> | @ | <u>2.00</u> | <u>132.00</u> |
| | | @ | | |
| | | @ | | |
| | | @ | | |
| | | @ | | |
| | | @ | | |
| | | @ | | |
| | | @ | | |
| HANDLING | <u>281 ml.</u> | @ | <u>1.90</u> | <u>533.90</u> |
| MILEAGE | <u>281 Ax. 09</u> | <u>29</u> | | <u>733.41</u> |
| TOTAL | | | | <u>4054.51</u> |

EQUIPMENT

Ness

PUMP TRUCK CEMENTER J. D. Dreiling

#224 HELPER Jim Weighous

BULK TRUCK

#357 DRIVER Don Dugan

BULK TRUCK

DRIVER

REMARKS:

1st 50 ax 1950'

2nd 80 ax 1200'

3rd 50 ax 600'

4th 40 ax 270'

5th 20 ax 60'

15 ax Rathole

CHARGE TO: Palomino Petroleum Inc.

STREET 4924 SE 84th St.

CITY Newton STATE Kansas ZIP 67114-8827

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>1950'</u> | | | |
| PUMP TRUCK CHARGE | | | | <u>815.00</u> |
| EXTRA FOOTAGE | | @ | | |
| MILEAGE | <u>29</u> | @ | <u>6.00</u> | <u>174.00</u> |
| MANIFOLD | | @ | | |
| | | @ | | |
| | | @ | | |
| TOTAL | | | | <u>989.00</u> |

PLUG & FLOAT EQUIPMENT

| | | | |
|-------|---|--|--|
| | @ | | |
| | @ | | |
| | @ | | |
| | @ | | |
| | @ | | |
| TOTAL | | | |

TAX

TOTAL CHARGE

DISCOUNT IF PAID IN 30 DAYS

SIGNATURE X Doug Roberts

X Doug Roberts
PRINTED NAME

Thank you!

RECEIVED

MAY 14 2007

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

* I N V O I C E *

Invoice Number: 108669

Invoice Date: 05/10/07

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

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 07 2007

CONSERVATION DIVISION
WICHITA, KS

Cust I.D.....: Palo
P.O. Number...: DavidsonJohnson #1
P.O. Date.....: 05/10/07

Due Date.: 06/09/07
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 |
| Handing | 168.00 | SKS | 1.9000 | 319.20 | E |
| Mileage | 29.00 | MILE | 15.1200 | 438.48 | E |
| 168 sks @.09 per sk per mi | | | | | |
| Surface | 1.00 | JOB | 815.0000 | 815.00 | E |
| Mileage pmp trk | 29.00 | MILE | 6.0000 | 174.00 | E |
| Head Rent | 1.00 | PER | 100.0000 | 100.00 | E |
| Top Wood | 1.00 | EACH | 60.0000 | 60.00 | T |

| | | |
|---|------------|---------|
| All Prices Are Net, Payable 30 Days Following | Subtotal: | 3965.63 |
| Date of Invoice. 1 1/2% Charged Thereafter. | Tax.....: | 112.30 |
| If Account CURRENT take Discount of <u>396.56</u> | Payments: | 0.00 |
| ONLY if paid within 30 days from Invoice Date | Total....: | 4077.93 |

ALLIED CEMENTING CO., INC. 23904

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

SERVICE POINT:

Ht Bend

| | | | | | | | |
|--------------------------------|-----------------|---|-----------------|--------------------------|---------------------------|--------------------------|---------------------------|
| DATE <u>5-7-07</u> | SEC. <u>11</u> | TWP. <u>17</u> | RANGE <u>26</u> | CALLED OUT <u>3:30pm</u> | ON LOCATION <u>7:00pm</u> | JOB START <u>11:15pm</u> | JOB FINISH <u>11:45pm</u> |
| LEASE <u>Davidson</u> | WELL # <u>1</u> | LOCATION <u>Utica 2.5 3/4 1/4 W 1/4 N</u> | | | COUNTY <u>Neosho</u> | STATE <u>KS</u> | |
| OLD OR <u>NEW</u> (Circle one) | | | | | | | |

CONTRACTOR Southwind Drilling #1

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 228

CASING SIZE 8 5/8 DEPTH 228

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 1.5

PERFS.

DISPLACEMENT 13 3/4

EQUIPMENT

PUMP TRUCK CEMENTER A. Wyshous

181 HELPER Randy

BULK TRUCK

342 DRIVER Don

BULK TRUCK

DRIVER

REMARKS:

New

circ 8 7/8 casing pump mix

cemt, disp per w/ 13 3/4 BBL

cemt dial Circ

Thanks

CHARGE TO: Palomino

STREET

CITY STATE ZIP

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

Doug Roberts

OWNER

CEMENT

AMOUNT ORDERED

160 cum 3% cc 2% Ad

COMMON 160 Mt. @ 11.10 1776.00

POZMIX @

GEL 3 Ad @ 16.65 49.95

CHLORIDE S Ad @ 46.60 233.00

ASC @

HANDLING 168 Mt @ 1.90 319.20

MILEAGE 168 Mt of 29 438.48

TOTAL 2816.63

SERVICE

DEPTH OF JOB 228

PUMP TRUCK CHARGE 815.00

EXTRA FOOTAGE @

MILEAGE 29 @ 6.00 174.00

MANIFOLD @

HEAD RENTAL @ 100.00 100.00

TOTAL 1089.00

PLUG & FLOAT EQUIPMENT

8 7/8 Tap Wood @ 60.00 60.00

@

@

@

@

TOTAL 60.00

TAX

TOTAL CHARGE

DISCOUNT IF PAID IN 30 DAYS

Doug Roberts

PRINTED NAME