

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: 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. _____
6/26/07 7/4/07 7/4/07
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 135-24670-0000
County: Ness
E/2 SE NW Sec. 21 Twp. 17 S. R. 24 East West
2075 feet from S / (N) (circle one) Line of Section
2310 feet from E / (W) (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE (NW) SW
Lease Name: Habiger-Keilman Well #: 7
Field Name: Dickman SE
Producing Formation: None
Elevation: Ground: 2377 Kelly Bushing: 2387
Total Depth: 4446 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 222 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 OK PAH II NH 7-22-08
(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: October 25, 2007
Subscribed and sworn to before me this 25th day of October,
20 07.
Notary Public: Carla R. Penwell NOTARY PUBLIC - State of Kansas
Carla R. Penwell CARLA R. PENWELL
Date Commission Expires: October 26, 2009 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

RECEIVED
KANSAS CORPORATION COMMISSION
OCT 26 2007

Operator Name: Palomino Petroleum, Inc. Lease Name: Habiger-Keilman Well #: 7
 Sec. 21 Twp. 17 S. R. 24 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	<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:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Anhy.</td> <td>1662</td> <td>(+ 725)</td> </tr> <tr> <td>Base Anhy.</td> <td>1693</td> <td>(+ 694)</td> </tr> <tr> <td>Topeka</td> <td>3424</td> <td>(-1037)</td> </tr> <tr> <td>Heebner</td> <td>3706</td> <td>(-1319)</td> </tr> <tr> <td>LKC</td> <td>3749</td> <td>(-1362)</td> </tr> <tr> <td>BKC</td> <td>4068</td> <td>(-1681)</td> </tr> <tr> <td>Marmaton</td> <td>4116</td> <td>(-1729)</td> </tr> <tr> <td>Pawnee</td> <td>4166</td> <td>(-1779)</td> </tr> </table>	Name	Top	Datum	Anhy.	1662	(+ 725)	Base Anhy.	1693	(+ 694)	Topeka	3424	(-1037)	Heebner	3706	(-1319)	LKC	3749	(-1362)	BKC	4068	(-1681)	Marmaton	4116	(-1729)	Pawnee	4166	(-1779)
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Pawnee	4166	(-1779)																										

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#	222'	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
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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 METHOD OF COMPLETION Production Interval

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled
(If vented, Submit ACO-18.) Other (Specify) _____

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CONSERVATION DIVISION
WICHITA, KS

LOGS

Ft. Scott	4249	(-1862)
Cherokee Sh.	4273	(-1886)
Cherokee Sd.	4327	(-1940)
Miss.	4347	(-1960)
LTD	4446	(-2059)

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OCT 26 2007
CONSERVATION DIVISION
WICHITA, KS

Quality Oilwell Cementing Inc.

740 W WICHITA
P.O. Box 32
Russell, KS 67665

RECEIVED

JUL 07 2007

Invoice

Date	Invoice #
7/5/2007	417

Bill To
Palomino Petroleum Inc 4924 SE 84th Newton Ks 67114

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
129	common	11.00	1,419.00T
86	POZ	6.05	520.30T
11	GEL	17.00	187.00T
53	Celloseal	2.00	106.00T
226	handling	1.90	429.40T
5,424	.08 * 226 SACKS * 24 MILES	0.08	433.92T
1	pump truck charge plugging	850.00	850.00T
24	pump truck mileage charge	6.00	144.00T
409	discount 10% if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-409.00
	LEASE: HABIGEA-KEILMEN WELL #7 Ness county Sales Tax	5.30%	216.75

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OCT 26 2007
CONSERVATION DIVISION
WICHITA, KS

Thank you for your business. Dave	Total	\$3,897.37
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QUALITY OILWELL CEMENTING, INC.

Federal Tax I.D.

Phone 785-483-2025
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. **1248**

Date <i>7/1/07</i>	Sec.	Twp.	Range	Called Out	On Location <i>7:30 AM</i>	Job Start <i>7:45 AM</i>	Finish <i>9:15 AM</i>
Lease <i>Habiger - Matman</i>		Well No. <i>17</i>		Location <i>Re... 3rd 5 1/2 E</i>		County <i>Neosho</i> State <i>Ks</i>	
Contractor <i>Sentimental Dry</i>				Owner			
Type Job <i>Plug</i>				To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.			
Hole Size <i>7 7/8</i>		T.D. <i>4450</i>		Charge To <i>Polymine</i>			
Csg.		Depth		Street			
Tbg. Size		Depth		City			
Drill Pipe		Depth		State			
Tool		Depth		The above was done to satisfaction and supervision of owner agent or contractor.			
Cement Left in Csg.		Shoe Joint		CEMENT			
Press Max.		Minimum					
Meas Line		Displace					
Perf.							
EQUIPMENT				Amount Ordered <i>2156 gal 1/4 in - hauled</i>			
				Consisting of			
Pumptrk <i>1</i>	No.	Cementer <i>Dave</i>		Common <i>129 @ 11.00</i>	<i>1,419.00</i>		
Bulktrk <i>2</i>	No.	Driver <i>Brian</i>		Poz. Mix <i>86 @ 6.05</i>	<i>920.30</i>		
Bulktrk <i>PU</i>	No.	Driver <i>Dave</i>		Gel. <i>11 @ 17.00</i>	<i>187.00</i>		
JOB SERVICES & REMARKS				Chloride			
				Hulls			
Pumptrk Charge <i>plug</i>		<i>850.00</i>		<i>Floused 53# @ 2.00</i>		<i>106.00</i>	
Mileage <i>24 @ 6.00</i>		<i>144.00</i>					
Footage							
		Total		<i>994.00</i>			
Remarks:				Sales Tax			
<i>50 gal @ 17.10</i>				Handling <i>226 @ 1.90</i>		<i>429.40</i>	
<i>80 gal @ 9.60</i>				Mileage <i>.08 1st 3rd 1st mile</i>		<i>433.92</i>	
<i>4 @ 240</i>				<i>PUMP TRUCK CHARGE</i>		Sub Total <i>994.00</i>	
<i>2 @ 60</i>				Total			
<i>15 Rot 10'c</i>				Floating Equipment & Plugs			
<i>14 pump hole</i>				Squeeze Manifold			
				Rotating Head			
<p style="font-size: 2em; font-weight: bold;">RECEIVED</p> <p style="font-size: 1.2em; font-weight: bold;">KANSAS CORPORATION COMMISSION</p> <p style="font-size: 1.5em; font-weight: bold;">OCT 25 2007</p> <p style="font-size: 1.1em; font-weight: bold;">CONSERVATION DIVISION WICHITA, KS</p>				Tax <i>216.75</i>			
				Discount <i>(409.00)</i>			
				Total Charge <i>53897.37</i>			
				Signature <i>Dave</i>			



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

INVOICE

Invoice Number: 108953
 Invoice Date: Jun 28, 2007
 Page: 1

RECEIVED
 JUL 02 2007

Federal Tax I.D.#:

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

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Palo	Habiger-Keilman #7	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Great Bend	Jun 28, 2007	7/28/07

Quantity	Item	Description	Unit Price	Amount
160.00	MAT	Common	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
1.00	SER	Mileage	250.00	250.00
1.00	SER	Surface Job	815.00	815.00
14.00	SER	Mileage Pump Truck	6.00	84.00
1.00	SER	Head Rental	100.00	100.00
1.00	EQP	Wooden Plug	60.00	60.00

RECEIVED
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 OCT 26 2007
 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

\$ 3,799.45

ONLY IF PAID ON OR BEFORE

JUL 28 2007

Subtotal	3,687.15
Sales Tax	112.30
Total Invoice Amount	3,799.45
Payment/Credit Applied	
TOTAL	3,799.45

ALLIED CEMENTING CO., INC.

30569

Federal Tax I.D.#

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

SERVICE POINT:

~~Ness City~~
Great Bend

DATE <u>6-27-07</u>	SEC. <u>21</u>	TWP. <u>17</u>	RANGE <u>24</u>	CALLED OUT <u>6:00 PM</u>	ON LOCATION <u>11:30 PM</u>	JOB START <u>12:15 AM</u>	JOB FINISH <u>1:15 AM</u>
HABINGER-KEILMAN LEASE		WELL # <u>7</u>	LOCATION <u>Ness City 5 W, 7 1/2 N</u>		COUNTY <u>Ness</u>	STATE <u>Ks</u>	
OLD OR NEW (Circle one) <u>NEW</u>			East into 1/2 mile down Farmers Driveway				

CONTRACTOR Southwind #1

TYPE OF JOB Surface

HOLE SIZE 12 1/4" T.D. 2241

CASING SIZE 8 3/8" DEPTH 223'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX 200# PSI MINIMUM 0

MEAS. LINE _____ SHOE JOINT 15'

CEMENT LEFT IN CSG. 15'

PERFS. _____

DISPLACEMENT 13 1/4 BBLs of freshwater

OWNER Palamiro Petroleum

CEMENT AMOUNT ORDERED 160 sx Common 3% CL, 2% Gel

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>14.9</u>	@	<u>16.8</u>	<u>250.00</u>
TOTAL				<u>2628.15</u>

EQUIPMENT

PUMP TRUCK # 224 CEMENTER Rick H. HELPER J. m w.

BULK TRUCK # 341 DRIVER Don D.

BULK TRUCK # _____ DRIVER _____

REMARKS:

pipe on bottom broke circulation mixed 160 sx Common 3% CL, 2% Gel shut down Released plug displaced with 13 1/4 BBLs of freshwater and sheet in.

Cement did Circulate

CHARGE TO: Palamiro Petroleum

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB	<u>223'</u>		
PUMP TRUCK CHARGE			<u>815.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>14</u>	@	<u>6.00</u>
MANIFOLD		@	
Head Rent		@	<u>100.00</u>
TOTAL <u>999.00</u>			

PLUG & FLOAT EQUIPMENT

1- wooden plug		@	<u>60.00</u>
		@	
		@	
		@	
		@	
TOTAL <u>60.00</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 X Doug Roberts

X Doug Roberts
PRINTED NAME

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KANSAS CORPORATION COMMISSION
OCT 26 2007
CONSERVATION DIVISION
WICHITA, KS