

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. _____

<u>6/17/07</u>	<u>6/25/07</u>	<u>6/25/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24667-0000
County: Ness
 - - C - E/2 Sec. 27 Twp. 20 S. R. 21 East West
2560 feet from S (N) (circle one) Line of Section
1160 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) (NE) SE NW SW
Lease Name: Seib-Lewis Well #: 1
Field Name: None (Wildcat)
Producing Formation: None
Elevation: Ground: 2184 Kelly Bushing: 2194
Total Depth: 4499 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 PA NH 722-08
(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

Date Commission Expires: October 6, 2009

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
CONSERVATION DIVISION
WICHITA, KS

Operator Name: Palomino Petroleum, Inc. Lease Name: Seib-Lewis Well #: 1
 Sec. 27 Twp. 20 S. R. 21 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	<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>1382</td> <td>(+ 812)</td> </tr> <tr> <td>Base Anhy.</td> <td>1406</td> <td>(+ 788)</td> </tr> <tr> <td>Topeka</td> <td>3371</td> <td>(-1177)</td> </tr> <tr> <td>Heebner</td> <td>3727</td> <td>(-1533)</td> </tr> <tr> <td>LKC</td> <td>3778</td> <td>(-1584)</td> </tr> <tr> <td>BKC</td> <td>4098</td> <td>(-1904)</td> </tr> <tr> <td>Marmaton</td> <td>4137</td> <td>(-1943)</td> </tr> <tr> <td>Pawnee</td> <td>4197</td> <td>(-2003)</td> </tr> </table>	Name	Top	Datum	Anhy.	1382	(+ 812)	Base Anhy.	1406	(+ 788)	Topeka	3371	(-1177)	Heebner	3727	(-1533)	LKC	3778	(-1584)	BKC	4098	(-1904)	Marmaton	4137	(-1943)	Pawnee	4197	(-2003)
Name	Top	Datum																										
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Pawnee	4197	(-2003)																										

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

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	METHOD OF COMPLETION	Production Interval
<input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	

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 KANSAS CORPORATION COMMISSION
 OCT 26 2007
 CONSERVATION DIVISION
 WICHITA, KS

LOGS

Ft. Scott	4287	(-2093)
Miss.	4362	(-2168)
LTD	4499	(-2305)

RECEIVED
KANSAS CORPORATION COMMISSION
OCT 26 2007
CONSERVATION DIVISION
WICHITA, KS



INVOICE

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

Invoice Number: 108952
Invoice Date: Jun 28, 2007
Page: 1

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

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	Seib Lewis #1	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
135.00	MAT	Common	11.10	1,498.50
90.00	MAT	Pozmix	6.20	558.00
12.00	MAT	Gel	16.65	199.80
56.00	MAT	Flo Seal	2.00	112.00
239.00	SER	Handling	1.90	454.10
27.00	SER	Mileage 239 sx @.09 per sx per mi	21.51	580.77
1.00	SER	Rotary Plug	815.00	815.00
27.00	SER	Mileage Pump Truck	6.00	162.00

RECEIVED
KANSAS CORPORATION COMMISSION
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

\$ 4,612.32

ONLY IF PAID ON OR BEFORE

Jul 28, 2007

Subtotal	4,380.17
Sales Tax	232.15
Total Invoice Amount	4,612.32
Payment/Credit Applied	
TOTAL	4,612.32



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

JUN 25 2007

Invoice Number: 108829

Invoice Date: Jun 21, 2007

Page: 1

Bill To:

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

Federal Tax I.D.#:

Customer ID	Well Name # or Customer P.O.	Payment Terms	
Palo	Seib-Lewis #1	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Great Bend	Jun 21, 2007	7/21/07

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
27.00	SER	Mileage 168 sx @ .09 per sx per mi	15.12	408.24
1.00	SER	Pump Truck Charge	815.00	815.00
27.00	SER	Mileage	6.00	162.00
1.00	SER	Head Rental	100.00	100.00
1.00	EQP	Wooden plug	60.00	60.00

ALL PRICES ARE NET, PAYABLE
30 DAYS FOLLOWING DATE OF
INVOICE. 1 1/2% CHARGED
THEREAFTER. IF ACCOUNT IS
CURRENT, TAKE DISCOUNT OF

\$ 4,035.69

ONLY IF PAID ON OR BEFORE

Jul 21, 2007

Subtotal	3,923.39
Sales Tax	112.30
Total Invoice Amount	4,035.69
Payment/Credit Applied	
TOTAL	4,035.69

ALLIED CEMENTING CO., INC.

30561

Federal Tax I.D.#

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

SERVICE POINT:
Great Bend

DATE <u>6-17-07</u>	SEC. <u>27</u>	TWP. <u>20</u>	RANGE <u>21</u>	CALLED OUT <u>11:00 AM</u>	ON LOCATION <u>1:30 PM</u>	JOB START <u>3:30 PM</u>	JOB FINISH <u>4:30 PM</u>
LEASE <u>Seib-Lewis</u>	WELL # <u>1</u>	LOCATION <u>Christ Pilot sign, 1 1/2 S, 1 E/20</u>			COUNTY <u>Ness</u>	STATE <u>Ks</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR Southwind #1

TYPE OF JOB Surface

HOLE SIZE 12 1/4" T.D. 225'

CASING SIZE 8 3/8" DEPTH 225'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX 250 # PSI MINIMUM 0

MEAS. LINE _____ SHOE JOINT 15'

CEMENT LEFT IN CSG. 15'

PERFS. _____

DISPLACEMENT 13 1/4 BBLs of freshwater

OWNER Palamino Petroleum

CEMENT AMOUNT ORDERED 166 sx Common 3% LL, 2% Gel

COMMON	<u>160 mt.</u>	@	<u>11.10</u>	<u>1776.00</u>
POZMIX		@		
GEL	<u>3 mt.</u>	@	<u>16.65</u>	<u>49.95</u>
CHLORIDE	<u>5 mt.</u>	@	<u>46.60</u>	<u>233.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>168 mt.</u>	@	<u>1.90</u>	<u>319.20</u>
MILEAGE	<u>168 mt. 09</u>		<u>27</u>	<u>402.24</u>
TOTAL				<u>2786.39</u>

EQUIPMENT

PUMP TRUCK # 417 CEMENTER Rick H.
HELPER Dwayne W.

BULK TRUCK # 341 DRIVER Steve T.

BULK TRUCK # _____ DRIVER _____

REMARKS:

pipe on bottom broke Circulation mixed 160 sx Common 3% LL, 2% Gel shut down Released plug displaced with 13 1/4 BBLs of freshwater and set in. Cement did Circulate!

SERVICE

DEPTH OF JOB	<u>225'</u>		
PUMP TRUCK CHARGE			<u>815.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>27</u>	@	<u>6.00</u> <u>162.00</u>
MANIFOLD		@	
<u>HEAD RENTAL</u>		@	<u>100.00</u> <u>100.00</u>
		@	
TOTAL <u>1077.00</u>			

CHARGE TO: Palamino Petroleum

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

<u>1. Wooden plug</u>	<u>60.00</u>	<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