

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

Handwritten: KCC
Mey
5/23/08

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: Pickrell Drilling Co., Inc.
License: 5123
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>4/15/08</u>	<u>4/25/08</u>	<u>4/25/08</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24770-0050
County: Ness
N/2 NW NW Sec. 30 Twp. 17 S. R. 25 East West
360 feet from S / (N) (circle one) Line of Section
560 feet from E / (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE (NW) SW

Lease Name: Popp-Young Well #: 1
Field Name: Lazy 17

Producing Formation: None
Elevation: Ground: 2482 Kelly Bushing: 2487

Total Depth: 4501 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 219 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set _____ Feet

If Alternate II completion, cement circulated from _____
feet depth to PA-Dig w/ 7/7/08 _____ sx cmt.

Drilling Fluid Management Plan
(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: May 19, 2008

Subscribed and sworn to before me this 19th day of May, 2008.

Notary Public: Carla R. Penwell
CARLA R. PENWELL
My Appt. Expires 10-6-09

KCC Office Use ONLY

Letter of Confidentiality Received **RECEIVED**

If Denied, Yes **KANSAS CORPORATION COMMISSION**

Wireline Log Received **MAY 22 2008**

Geologist Report Received

UIC Distribution **CONSERVATION DIVISION WICHITA, KS**

Operator Name: Palomino Petroleum, Inc. Lease Name: Popp-Young Well #: 1
 Sec. 30 Twp. 17 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 <i>(Attach Additional Sheets)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name Anhy.	Top 1813
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Datum (+ 674)	
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Base Anhy.	1842 (+ 645)
List All E. Logs Run: Radiation Guard, Sonic		Topeka	3510 (-1023)
		Heebner	3783 (-1296)
		LKC	3823 (-1336)
		BKC	4127 (-1640)
		Marmaton	4167 (-1680)
		Pawnee	4259 (-1772)

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#	219'	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		Acid, Fracture, Shot, Cement Squeeze Record	
	Specify Footage of Each Interval Perforated		(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
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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
 KANSAS CORPORATION COMMISSION
MAY 22 2008
 CONSERVATION DIVISION
 WICHITA, KS

LOGS

Ft. Scott	4324	(-1837)
Cherokee Sh.	4347	(-1860)
Miss.	4411	(-1924)
LTD	4501	(-2014)

RECEIVED
KANSAS CORPORATION COMMISSION

MAY 22 2008

CONSERVATION DIVISION
WICHITA, KS



INVOICE

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

RECEIVED
MAY 05 2008

Invoice Number: 113716
Invoice Date: Apr 28, 2008
Page: 1

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

Customer ID	Well Name/# or Customer P.O.	Payment Terms	
Palo	Popp-Young #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS	Great Bend	Apr 28, 2008	5/28/08

Quantity	Item	Description	Unit Price	Amount
153.00	MAT	Class A Common	12.30	1,881.90
102.00	MAT	Pozmix	6.85	698.70
9.00	MAT	Gel	18.40	165.60
64.00	MAT	Flo Seal	2.20	140.80
266.00	SER	Handling	2.10	558.60
20.00	SER	Mileage 266 sx @.09 per sk per mi	23.94	478.80
1.00	SER	Rotary Plug	900.00	900.00
20.00	SER	Mileage Pump Truck	7.00	140.00

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

\$ 496.48

ONLY IF PAID ON OR BEFORE

May 28, 2008

Subtotal	4,964.40
Sales Tax	263.11
Total Invoice Amount	5,227.51
Payment/Credit Applied	
TOTAL	5,227.51

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KANSAS CORPORATION COMMISSION

MAY 22 2008

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC.

30217

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

SERVICE POINT:

Ness City
4-26-08

DATE <u>4-25-08</u>	SEC. <u>30</u>	TWP. <u>17s</u>	RANGE <u>25 W</u>	CALLED OUT <u>8 AM</u>	ON LOCATION <u>12 PM</u>	JOB START <u>12:00 AM</u>	JOB FINISH <u>1:30 AM</u>
LEASE <u>Popp-Young</u>	WELL # <u>1</u>	LOCATION <u>haired 2w 7N 2w 5</u>			COUNTY <u>N-55</u>	STATE <u>K.S.</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Pickrell Roof #10

TYPE OF JOB Rotary Plug

HOLE SIZE 7 3/8 T.D. 1500 ft

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 DEPTH 1860 ft

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT AMOUNT ORDERED 255 6/8 47 gal of float

COMMON	<u>153 cu yd @</u>	<u>12.30</u>	<u>1,881.90</u>
POZMIX	<u>102 cu yd @</u>	<u>6.85</u>	<u>698.70</u>
GEL	<u>9 cu yd @</u>	<u>18.40</u>	<u>165.60</u>
CHLORIDE	@		
ASC	@		
<u>FLO SEAL 64 #</u>	@	<u>2.20</u>	<u>140.80</u>
	@		
	@		
	@		
	@		
	@		
	@		
	@		
HANDLING	<u>266 cu yd @</u>	<u>2.10</u>	<u>558.60</u>
MILEAGE	<u>266 cu yd @</u>	<u>2.00</u>	<u>472.80</u>
			TOTAL <u>3,924.40</u>

EQUIPMENT

PUMP TRUCK CEMENTER Mike M

224 HELPER Dennis

BULK TRUCK

357-170 DRIVER Joe D

BULK TRUCK

_____ DRIVER _____

REMARKS:

12:00 AM Mix 50 sk at 1860 ft

Mix 50 sk at 1100 ft

Mix 40 sk at 550 ft

Mix 50 sk at 240 ft

Mix 25 sk at 60 ft

2:00 AM Mix 15 sk at R.H

SERVICE

DEPTH OF JOB	<u>1860 ft</u>	
PUMP TRUCK CHARGE		<u>900.00</u>
EXTRA FOOTAGE	@	
MILEAGE	<u>20 @</u>	<u>7.00</u>
MANIFOLD	@	
	@	
	@	
		TOTAL <u>1040.00</u>

CHARGE TO: Palomino Refr Inc

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

_____	@	
_____	@	
_____	@	
_____	@	
_____	@	
		TOTAL _____

RECEIVED
KANSAS CORPORATION COMMISSION

MAY 22 2008

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.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Mike Kern

Mike Kern

PRINTED NAME



ALLIED

CEMENTING CO., LLC
Cementing & Acidizing Services

INVOICE

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

RECEIVED
APR 19 2008

Invoice Number: 113533
Invoice Date: Apr 16, 2008
Page: 1

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

Bill To:

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

Handwritten signature and date:
5/23/08

Customer ID Palo	Well Name/# or Customer P.O. POPP - Poppy Young #1	Payment Terms Net 30 Days	
Job Location KS	Camp Location Great Bend	Service Date Apr 16, 2008	Due Date 5/16/08

Quantity	Item	Description	Unit Price	Amount
160.00	MAT	Class A Common	12.30	1,968.00
3.00	MAT	Gel	18.40	55.20
5.00	MAT	Chloride	51.50	257.50
168.00	SER	Handling	2.10	352.80
20.00	SER	Mileage 168 sx @.09 per sk per mi	15.12	302.40
1.00	SER	Surface	900.00	900.00
20.00	SER	Mileage Pump Truck	7.00	140.00
1.00	SER	Head Rental	111.00	111.00
1.00	EQP	Wooden Plug	67.00	67.00

RECEIVED
KANSAS CORPORATION COMMISSION
MAY 22 2008
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

\$ 415.39

ONLY IF PAID ON OR BEFORE

May 16, 2008

Subtotal	4,153.90
Sales Tax	124.43
Total Invoice Amount	4,278.33
Payment/Credit Applied	
TOTAL	4,278.33

ALLIEL CEMENTING CO., INC.

30213

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

*pu
men
5/23/08*

SERVICE POINT: *Ness Co. Ia
Great Bend*

DATE <i>4-16-08</i>	SEC <i>30</i>	TWP. <i>17s</i>	RANGE <i>25 w</i>	CALLED OUT <i>8:00 AM</i>	ON LOCATION <i>3:30 AM</i>	JOB START <i>4:30 AM</i>	JOB FINISH <i>5:00 AM</i>
LEASE # <i>POPPY-POPP-Young</i>			LOCATION <i>land 2w 7N 2w 3/5</i>			COUNTY <i>Ness</i>	STATE <i>I.S.</i>
OLD OR NEW (Circle one)							

CONTRACTOR *Pickrell Rig 10*

TYPE OF JOB *Surface*

HOLE SIZE *12 1/2* T.D. *224 ft*

CASING SIZE *8 5/8* DEPTH *219 ft*

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX *200'* MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. *15 ft*

PERFS. _____

DISPLACEMENT *12.9 bbl*

OWNER _____

CEMENT AMOUNT ORDERED *160 M Common*

2 800 285

COMMON	<i>160 SX</i>	@	<i>12.30</i>	<i>1,968.00</i>
POZMIX		@		
GEL	<i>3 SX</i>	@	<i>18.40</i>	<i>55.20</i>
CHLORIDE	<i>5 SX</i>	@	<i>51.50</i>	<i>257.50</i>
ASC		@		
HANDLING	<i>168 SX</i>	@	<i>2.10</i>	<i>352.80</i>
MILEAGE	<i>168 X 20 X .09 =</i>			<i>302.40</i>
TOTAL				<i>2,935.90</i>

EQUIPMENT

PUMP TRUCK CEMENTER *Mike M.*

120 HELPER *Tyler W.*

BULK TRUCK DRIVER *David J.*

341

BULK TRUCK DRIVER _____

REMARKS:

Circulate the hole with Rig mud pump

4:30 AM Mix Cement & then Release the plug Displace plug Down with water

5:00 AM Cement did circulate to Surface

SERVICE

DEPTH OF JOB	<i>219 ft</i>			
PUMP TRUCK CHARGE			<i>900.00</i>	
EXTRA FOOTAGE		@		
MILEAGE	<i>20</i>	@	<i>7.00</i>	
MANIFOLD	<i>Head Rental</i>	@	<i>111.00</i>	
TOTAL				<i>1,151.00</i>

CHARGE TO: *Palomino Petr*

STREET _____

CITY _____ STATE _____ ZIP _____

RECEIVED
KANSAS CORPORATION COMMISSION

MAY 22 2008

Thank you

To ALLIEL CEMENTING CO., Inc.
WICHITA, KS

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.

PLUG & FLOAT EQUIPMENT

<i>1-8 1/2 wooden Plug</i>	@	<i>67.00</i>	<i>67.00</i>	
	@			
	@			
	@			
TOTAL				<i>67.00</i>

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE *Mike Kern*

Mike Kern
PRINTED NAME