

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

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: Shields Drilling Company, Inc.
License: 5184

API No. 15 - 009-24898-0000
County: Barton
 - - C - NW Sec. 21 Twp. 16 S. R. 12 East West
1430 feet from S (circle one) Line of Section
1250 feet from E (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE SW
Lease Name: Weber Well #: 2
Field Name: Beaver

RECEIVED
MAR 13 2006

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)

Producing Formation: None
Elevation: Ground: 1927 Kelly Bushing: 1932
Total Depth: 3450 Plug Back Total Depth:
Amount of Surface Pipe Set and Cemented at 429 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.

KCC WICHITA

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.
1/19/06 1/26/06 1/26/06
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

Drilling Fluid Management Plan *P+A AH I NCR*
(Data must be collected from the Reserve Pit) *10-22-08*
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: March 10, 2006
Subscribed and sworn to before me this 10th day of March,
20 06.
Notary Public: *Carla R. Penwell*
Carla R. Penwell

KCC Office Use ONLY
 Letter of Confidentiality Received
If Denied, Yes Date:
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

Date Commission Expires: October 6, 2009
NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
My Appt. Expires 10-6-09

Operator Name: Palomino Petroleum, Inc. Lease Name: Weber Well #: 2
 Sec. 21 Twp. 16 S. R. 12 East West County: Barton

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%;"></td> <td style="width:20%; text-align: center;">Top</td> <td style="width:20%;"></td> </tr> <tr> <td>Anhy.</td> <td style="text-align: center;">841</td> <td style="text-align: center;">(+1091)</td> </tr> <tr> <td>Base Anhy.</td> <td style="text-align: center;">867</td> <td style="text-align: center;">(+1065)</td> </tr> <tr> <td>Howard</td> <td style="text-align: center;">2694</td> <td style="text-align: center;">(- 762)</td> </tr> <tr> <td>Topeka</td> <td style="text-align: center;">2732</td> <td style="text-align: center;">(- 800)</td> </tr> <tr> <td>Heebner</td> <td style="text-align: center;">3010</td> <td style="text-align: center;">(-1078)</td> </tr> <tr> <td>Toronto</td> <td style="text-align: center;">3025</td> <td style="text-align: center;">(-1093)</td> </tr> <tr> <td>Brown Lime</td> <td style="text-align: center;">3096</td> <td style="text-align: center;">(-1164)</td> </tr> <tr> <td>LKC</td> <td style="text-align: center;">3114</td> <td style="text-align: center;">(-1182)</td> </tr> </table>		Top		Anhy.	841	(+1091)	Base Anhy.	867	(+1065)	Howard	2694	(- 762)	Topeka	2732	(- 800)	Heebner	3010	(-1078)	Toronto	3025	(-1093)	Brown Lime	3096	(-1164)	LKC	3114	(-1182)
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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"	23#	429'	Common	250	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 <i>(Amount and Kind of Material Used)</i>	Depth
		RECEIVED MAR 13 2006 KCC WICHITA	

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

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

LOGS

BKC	3350	(-1418)
Arbuckle	3377	(-1445)
LTD	3450	(-1518)

RECEIVED
MAR 13 2006
KCC WICHITA

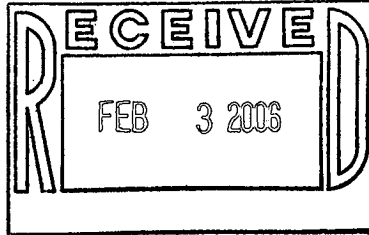
Allied Cementing Co., Inc
P.O. Box 31
Russell, KS 67665

* I N V O I C E *

Invoice Number: 100526

Invoice Date: 01/31/06

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



Cust I.D.....: Palo
P.O. Number...: Weber #2
P.O. Date.....: 01/31/06

Due Date.: 03/02/06
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	RECEIVED MAR 13 2006 KCC WICHITA	Unit	Price	Net	TX
Common	105.00		SKS	8.7000	913.50	T
Pozmix	70.00		SKS	4.7000	329.00	T
Gel	9.00		SKS	14.0000	126.00	T
FloSeal	44.00		LBS	1.7000	74.80	T
Handling	184.00		SKS	1.6000	294.40	T
Mileage	30.00		MILE	11.0400	331.20	T
184 sks @.06 per sk per mi						
Rotary Plug	1.00		JOB	785.0000	785.00	T
Mileage pmp trk	30.00		MILE	5.0000	150.00	T
Dryhole Plug	1.00		EACH	35.0000	35.00	T

All Prices Are Net, Payable 30 Days Following	Subtotal:	3038.90
Date of Invoice. 1 1/2% Charged Thereafter.	Tax.....:	199.05
If Account CURRENT take Discount of \$ <u>303.89</u>	Payments:	0.00
ONLY if paid within 30 days from Invoice Date	Total...:	3237.95

ALLIED CEMENTING CO., INC. 25033

Federal Tax I.D

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

SERVICE POINT:

Russell

DATE <u>1/26/06</u>	SEC. <u>21</u>	TWP. <u>16</u>	RANGE <u>12</u>	CALLED OUT	ON LOCATION <u>11:30 am</u>	JOB START <u>12:00 pm</u>	JOB FINISH <u>5:00 pm</u>
LEASE <u>Weber</u>	WELL # <u>2</u>	LOCATION <u>Beaver</u>	<u>3/4 N E 1/4</u>	COUNTY <u>Barber</u>	STATE <u>Ks</u>		
<u>(O)LD OR NEW (Circle one)</u>							

CONTRACTOR <u>Shields Drilling Company Inc.</u>	OWNER
TYPE OF JOB <u>Rotary Plug</u>	
HOLE SIZE <u>7 7/8</u>	T.D. <u>3356</u>
CASING SIZE	DEPTH
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG.	
PERFS.	
DISPLACEMENT	

CEMENT AMOUNT ORDERED 175 60/40 62 Cc 1
1/4# Fl.

COMMON	<u>105</u>	@	<u>870</u>	<u>913 50</u>
POZMIX	<u>70</u>	@	<u>470</u>	<u>329 00</u>
GEL	<u>9</u>	@	<u>14 00</u>	<u>126 00</u>
CHLORIDE		@		
ASC		@		
<u>Flo Seal</u>	<u>44#</u>	@	<u>170</u>	<u>74 80</u>
		@		
		@		
		@		
		@		
HANDLING	<u>12A</u>	@	<u>16</u>	<u>294 40</u>
MILEAGE	<u>62 1/2 mile</u>			<u>331 20</u>
TOTAL				<u>2068 90</u>

RECEIVED
MAR 23 2006
KCC WICHITA

EQUIPMENT

PUMP TRUCK # <u>366</u>	CEMENTER <u>Shane</u>
	HELPER <u>Gary</u>
BULK TRUCK # <u>345</u>	DRIVER <u>Jody</u>
BULK TRUCK #	DRIVER

REMARKS:

3356' 25 sks

855' 25 sks

500' 90 sks

40' 10 sks

Auto Hole 18 sks

Misc Hole 10 sks

CHARGE TO: Palomino Petroleum, Inc.

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB	
PUMP TRUCK CHARGE	<u>785 00</u>
EXTRA FOOTAGE	@
MILEAGE	<u>30 @ 5 00 = 150 00</u>
MANIFOLD	@
	@
	@
TOTAL <u>935 00</u>	

PLUG & FLOAT EQUIPMENT

	@	
	@	
<u>Dry Hole Plug</u>	@	<u>35 00</u>
	@	
	@	
TOTAL <u>35 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.

Thanks!
SIGNATURE Mike Hynes

TAX _____

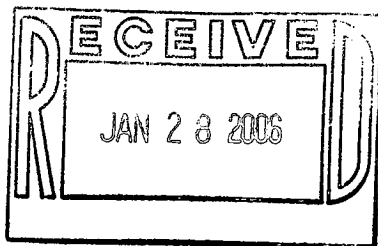
TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

PRINTED NAME Mike Hynes

Allied Cementing Co., Inc
P.O. Box 31

Russell, KS 67665



* I N V O I C E *

Invoice Number: 100399

Invoice Date: 01/25/06

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

Cust I.D.....: Palo
P.O. Number...: Weber #2
P.O. Date.....: 01/25/06

Due Date.: 02/24/06
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	250.00	SKS	8.7000	2175.00	T
Gel	5.00	SKS	14.0000	70.00	T
Chloride	8.00	SKS	38.0000	304.00	T
Handling	258.00	SKS	1.6000	412.80	E
Mileage	32.00	MILE	15.4800	495.36	E
258 sks @.06 per sk per mi					
Surface	1.00	JOB	670.0000	670.00	E
Extra Footage	129.00	FEET	0.5500	70.95	E
Mileage pmp trk	32.00	MILE	5.0000	160.00	E
Rubber Plug	1.00	EACH	100.0000	100.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of \$ 445.81
ONLY if paid within 30 days from Invoice Date

Subtotal:	4458.11
Tax.....:	173.51
Payments:	0.00
Total....:	4631.62

ALLIED CEMENTING CO., INC. 25200

Federal Tax I.D.

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

SERVICE POINT:

Russell

DATE <i>1-20-06</i>	SEC <i>21</i>	TWP. <i>18</i>	RANGE <i>12</i>	CALLED OUT <i>12:30 AM</i>	ON LOCATION <i>4:00 AM</i>	JOB START <i>5:20 AM</i>	JOB FINISH <i>6:00 AM</i>
LEASE <i>Weber</i>	WELL # <i>2</i>	LOCATION <i>Beaver 1E 3/4 N</i>			COUNTY <i>BARTON</i>	STATE <i>Kan</i>	
OLD OR NEW (Circle one) <input checked="" type="radio"/> OLD <input type="radio"/> NEW							

CONTRACTOR *Shields*

TYPE OF JOB *SURFACE*

HOLE SIZE *12 1/4* T.D. *432*

CASING SIZE *8 3/8* DEPTH *429*

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. *15*

PERFS.

DISPLACEMENT *26.37 bbls*

OWNER

CEMENT

AMOUNT ORDERED

259 blk Com 3-2

COMMON	<i>250</i>	@	<i>8.70</i>	<i>2175.00</i>
POZMIX		@		
GEL	<i>5</i>	@	<i>14.00</i>	<i>70.00</i>
CHLORIDE	<i>8</i>	@	<i>38.00</i>	<i>304.00</i>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<i>250</i>	@	<i>1.60</i>	<i>412.80</i>
MILEAGE	<i>64 1/2</i>	@	<i>7.50/mile</i>	<i>495.00</i>
TOTAL				<i>3457.16</i>

EQUIPMENT

PUMP TRUCK CEMENTER *Bill*

366 HELPER *Doug*

BULK TRUCK

345 DRIVER *Doug*

BULK TRUCK

DRIVER

REMARKS:

Surface rate 429

Cemt w/ 250 blk Com 3-2

Pump plug w/ 26.37 bbls of water

Cemt did Circ

SERVICE

DEPTH OF JOB				
PUMP TRUCK CHARGE				<i>670.00</i>
EXTRA FOOTAGE	<i>124'</i>	@	<i>5.50</i>	<i>70.95</i>
MILEAGE	<i>32</i>	@	<i>5.00</i>	<i>160.00</i>
MANIFOLD		@		
		@		
		@		
TOTAL				<i>900.95</i>

CHARGE TO: *Palomino*

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

		@		<i>1</i>
		@		
<i>Rubber Plug</i>		@		<i>100.00</i>
		@		
		@		
TOTAL				<i>100.00</i>

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 *Burton Beery* *Burton Beery*

PRINTED NAME