

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: Pickrell Drilling Co., Inc.
License: 5123
Wellsite Geologist: James C. Musgrove

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. _____

12/9/05	12/18/05	12/18/05
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24423-0000
County: Ness
N/2 - SE - NE Sec. 9 Twp. 19 S. R. 24 East West
1500 feet from S (N) (circle one) Line of Section
750 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) (NE) SE NW SW
Lease Name: Harold Well #: 1

Field Name: Franklinville
Producing Formation: None
Elevation: Ground: 2307 Kelly Bushing: 2312
Total Depth: 4373 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 225
feet depth to 0 w/ 160 sx cmt.
Alt 2 - Dig - 10/14/08

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: _____ License No.: _____
Lease Name: _____
Quarter 1 Sec. 9 Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

RECEIVED
KANSAS CORPORATION COMMISSION
JAN 17 2006
CONSERVATION DIVISION
WICHITA, KS

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.

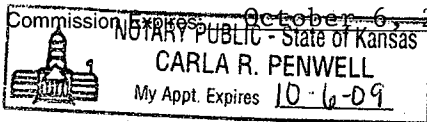
All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge

Signature: Klee R. Watchous
Title: President Date: January 13, 2006

Subscribed and sworn to before me this 13th day of January

20 06
Notary Public: Carla R. Penwell
Carla R. Penwell

Date Commission Expires: October 6, 2009



KCC Office Use ONLY

No Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

ORIGINAL

Operator Name: Palomino Petroleum, Inc. Lease Name: Harrold Well #: 1
 Sec. 9 Twp. 19 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 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

Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
Anhy.	1585	(+ 727)
Base Anhy.	1621	(+ 691)
Topeka	3398	(-1086)
Heebner	3704	(-1392)
Toronto	3724	(-1412)
LKC	3746	(-1434)
BKC	4056	(-1744)
Marmaton	4098	(-1786)

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 Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
		RECEIVED KANSAS CORPORATION COMMISSION JAN 17 2006 CONSERVATION DIVISION WICHITA, KS	

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)

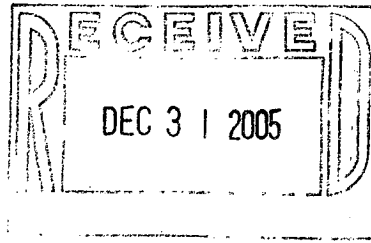
LOGS

Pawnee	4170	(-1858)
Ft. Scott	4250	(-1938)
Cherokee Sh.	4273	(-1961)
Miss. Lime	4344	(-2032)
Miss. Dolo.	4349	(-2037)
LTD	4373	(-2061)

RECEIVED
KANSAS CORPORATION COMMISSION
JAN 17 2006
CONSERVATION DIVISION
WICHITA, KS

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

Russell, KS 67665



* I N V O I C E *

Invoice Number: 100033

Invoice Date: 12/28/05

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

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 17 2006

CONSERVATION DIVISION
WICHITA, KS

Cust I.D.....: Palo
P.O. Number...: Harrold #1
P.O. Date.....: 12/28/05

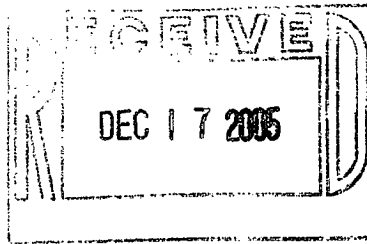
Due Date.: 01/27/06
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	153.00	SKS	8.7000	1331.10	T
Pozmix	102.00	SKS	4.7000	479.40	T
Gel	14.00	SKS	14.0000	196.00	T
FloSeal	64.00	LBS	1.7000	108.80	T
Handling	271.00	SKS	1.6000	433.60	T
Mileage min.	1.00	MILE	180.0000	180.00	T
Rotary Plug	1.00	JOB	665.0000	665.00	T
Mileage pmp trk	5.00	MILE	5.0000	25.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of \$ 341.89
ONLY if paid within 30 days from Invoice Date

Subtotal:	3418.90
Tax.....:	181.20
Payments:	0.00
Total....:	3600.10

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



* I N V O I C E *

Invoice Number: 099873

Invoice Date: 12/15/05

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

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 17 2006

CONSERVATION DIVISION
WICHITA, KS

Cust I.D.....: Palo
P.O. Number...: Harrold #1
P.O. Date.....: 12/15/05

Due Date.: 01/14/06
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	160.00	SKS	8.7000	1392.00	T
Gel	4.00	SKS	14.0000	56.00	T
Chloride	5.00	SKS	38.0000	190.00	T
Handling	169.00	SKS	1.6000	270.40	E
Mileage min.	1.00	MILE	180.0000	180.00	E
Surface	1.00	JOB	670.0000	670.00	E
Mileage pmp trk	5.00	MILE	5.0000	25.00	E
TWP	1.00	EACH	55.0000	55.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of \$ 283.84
ONLY if paid within 30 days from Invoice Date

Subtotal:	2838.40
Tax.....:	89.73
Payments:	0.00
Total....:	2928.13

ALLIED CEMENTING CO., INC.

22446

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

SERVICE POINT:

Nass City

DATE <u>12-10-05</u>	SEC. <u>9</u>	TWP. <u>19</u>	RANGE <u>24</u>	CALLED OUT <u>2:45 AM</u>	ON LOCATION <u>3:45 AM</u>	JOB START <u>6:00</u>	JOB FINISH <u>6:45</u>
LEASE <u>Harold</u> WELL # <u>1</u>		LOCATION <u>Nass City 2nd 25 3/4 W</u>			COUNTY <u>Nass</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Picknell Drilling #10

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 225

CASING SIZE 8 5/8 DEPTH 225

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15

PERFS.

DISPLACEMENT

OWNER _____

CEMENT AMOUNT ORDERED 160 Com 3% cc 2% Gal

COMMON	<u>160</u>	@	<u>8.70</u>	<u>1392.00</u>
POZMIX		@		
GEL	<u>4</u>	@	<u>14.00</u>	<u>56.00</u>
CHLORIDE	<u>5</u>	@	<u>38.00</u>	<u>190.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>169</u>	@	<u>1.60</u>	<u>270.40</u>
MILEAGE	<u>5.6</u>	@	<u>169 min.</u>	<u>180.00</u>
TOTAL				<u>2088.40</u>

EQUIPMENT

PUMP TRUCK CEMENTER J. Weighman

224 HELPER

BULK TRUCK DRIVER Terry

342

BULK TRUCK DRIVER Brandon

#

REMARKS:

New 20#
circ 8 5/8 w reg pump
max cement, Pump plug 1 3/4 BBL
cement and cure

Thanks

CHARGE TO: Palomino Pet Trac

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB 225

PUMP TRUCK CHARGE 670.00

EXTRA FOOTAGE @ _____

MILEAGE 5 @ 5.00 25.00

MANIFOLD @ _____

TOTAL 695.00

PLUG & FLOAT EQUIPMENT

8 5/8 Top Wood @ 55.00

@ _____

@ _____

@ _____

@ _____

TOTAL 55.00

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