

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

9/19/08
ORIGINAL
Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM

CONFIDENTIAL

WELL HISTORY - DESCRIPTION OF WELL & LEASE

CONFIDENTIAL

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 Company, Inc.
License: 5123
Wellsite Geologist: Gary F. Gensch

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>5/29/07</u>	<u>6/13/07</u>	<u>6/13/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

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SEP 19 2007
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API No. 15 - 025-21414-0000
County: Clark
 W/2 W/2 W/2 Sec. 20 Twp. 30 S. R. 23 East West
2580 feet from (S) N (circle one) Line of Section
330 feet from E (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW (SW)
Lease Name: Taylor Well #: 1
Field Name: Unnamed
Producing Formation: None
Elevation: Ground: 2449 Kelly Bushing: 2454
Total Depth: 5709 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 729 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 724-08
(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: September 19, 2007
Subscribed and sworn to before me this 19th day of September,
20 07
Notary Public: Carla R. Penwell
Date Commission Expires: October 6, 2009

NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
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
SEP 24 2007
CONSERVATION DIVISION
WICHITA, KS

Operator Name: Palomino Petroleum, Inc. Lease Name: Taylor Well #: 1
 Sec. 20 Twp. 30 S. R. 23 East West County: Clark

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: Micro, Dual Induction, Comp. Density-Neutron P. E., 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>1410</td> <td>(+1044)</td> </tr> <tr> <td>Base Anhy.</td> <td>1448</td> <td>(+1007)</td> </tr> <tr> <td>Herington</td> <td>2688</td> <td>(- 234)</td> </tr> <tr> <td>Krider</td> <td>2729</td> <td>(- 275)</td> </tr> <tr> <td>Winfield</td> <td>2829</td> <td>(- 375)</td> </tr> <tr> <td>Towanda</td> <td>2884</td> <td>(- 430)</td> </tr> <tr> <td>Ft. Riley</td> <td>2946</td> <td>(- 492)</td> </tr> <tr> <td>Florence</td> <td>2998</td> <td>(- 544)</td> </tr> </table>	Name	Top	Datum	Anhy.	1410	(+1044)	Base Anhy.	1448	(+1007)	Herington	2688	(- 234)	Krider	2729	(- 275)	Winfield	2829	(- 375)	Towanda	2884	(- 430)	Ft. Riley	2946	(- 492)	Florence	2998	(- 544)
Name	Top	Datum																										
Anhy.	1410	(+1044)																										
Base Anhy.	1448	(+1007)																										
Herington	2688	(- 234)																										
Krider	2729	(- 275)																										
Winfield	2829	(- 375)																										
Towanda	2884	(- 430)																										
Ft. Riley	2946	(- 492)																										
Florence	2998	(- 544)																										

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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#	729'	Lite	235	2% gel, 3% c.c.
					Class A	100	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) _____	RECEIVED KANSAS CORPORATION COMMISSION _____

SEP 24 2007

LOGS

Council Grove	3114	(- 660)
Cottonwood	3228	(- 774)
Neva	3284	(- 830)
Red Eagle	3386	(- 932)
Foraker	3425	(- 971)
Wabaunsee	3534	(-1080)
Root Shale	3592	(-1138)
Stotler	3655	(-1201)
Topeka	3892	(-1438)
Lecompton	4088	(-1634)
Oread	4234	(-1780)
Lower Oread	4304	(-1850)
Heebner	4364	(-1910)
Brown Lime	4520	(-2066)
Lansing	4547	(-2093)
LKC "H"	4755	(-2301)
LKC "K"	4921	(-2467)
Swope	4939	(-2485)
Hertha	4990	(-2536)
BKC	5031	(-2577)
Marmaton	5047	(-2593)
Altamont	5103	(-2649)
Pawnee	5133	(-2679)
Ft. Scott	5164	(-2710)
Cherokee Sh.	5185	(-2731)
Lwr. Cher. Sh.	5216	(-2762)
Atoka Sh.	5259	(-2805)
Morrow Sh.	5300	(-2846)
Morrow Sd.	5330	(-2876)
Miss. St. Gen	5354	(-2900)
Miss. St. Louis	5400	(-2946)
Spergen	5504	(-3050)
Sper. Dolo. 1	5532	(-3078)
Sper. Dolo. 2	5557	(-3103)
Sper. Dolo. 3	5626	(-3172)
Sper. Dolo. 4	5650	(-3196)
LTD	5709	(-3255)

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RECEIVED
KANSAS CORPORATION COMMISSION

SEP 24 2007

CONSERVATION DIVISION
WICHITA KS

RECEIVED

JUN 04 2007

Allied Cementing Co., LLC
24 S. Lincoln
P.O. Box 31
Russell, KS 67665

*
* I N V O I C E *
*

Invoice Number: 109000

Invoice Date: 05/31/07

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

KCC
SEP 19 2007
CONFIDENTIAL

Cust I.D.....: Palo
P.O. Number...: Taylor #1
P.O. Date.....: 05/31/07

Due Date.: 06/30/07
Terms.....: Net 30

Salesperson...:

Item I.D./Desc.	Ordered	Unit	Price	Net	TX
Common	100.00	SKS	11.1000	1110.00	T
Gel	2.00	SKS	16.6500	33.30	T
Chloride	11.00	SKS	46.6000	512.60	T
ALW	235.00	SKS	10.4500	2455.75	T
FloSeal	59.00	LBS	2.0000	118.00	T
Handling	362.00	SKS	1.9000	687.80	E
Mileage	70.00	MILE	32.5800	2280.60	E
362 sks @.09 per sk per mi					
Surface	1.00	JOB	815.0000	815.00	E
Extra Footage	432.00	PER	0.6500	280.80	E
Mileage pmp trk	70.00	MILE	6.0000	420.00	E
Head Rent	1.00	PER	100.0000	100.00	E
Rubber Plug	1.00	EACH	100.0000	100.00	T
AFU Insert	1.00	EACH	335.0000	335.00	T
Basket	2.00	EACH	220.0000	440.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter. Subtotal: 9688.85
If Account CURRENT take Discount of 968.88 Tax.....: 270.55
ONLY if paid within 30 days from Invoice Date Payments: 0.00
Total....: 9959.40

RECEIVED
KANSAS CORPORATION COMMISSION

SEP 24 2007

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC. 24911

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

SERVICE POINT:
MEDICINE LODGE

DATE <u>5-30-07</u>	SEC. <u>20</u>	TWP. <u>30 S</u>	RANGE <u>23 W</u>	CALLED OUT <u>2:00 pm</u>	ON LOCATION <u>5:00 pm</u>	JOB START <u>10:15 pm</u>	JOB FINISH <u>11:20 pm</u>
LEASE <u>TAYLOR</u>		WELL # <u>1</u>	LOCATION <u>BLOOM, KS, 5 SOUTH, EAST</u>		COUNTY <u>CLARK</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)			INTO				

CONTRACTOR <u>PICKRELL</u>	OWNER <u>KCC PALOMINO PETROLEUM</u>
TYPE OF JOB <u>SURFACE CASING</u>	
HOLE SIZE <u>12 1/4"</u>	T.D. <u>734'</u> SEP 19 2007
CASING SIZE <u>8 5/8"</u>	DEPTH <u>732'</u> CONFIDENTIAL
TUBING SIZE	DEPTH
DRILL PIPE <u>4 1/2"</u>	DEPTH
TOOL	DEPTH
PRES. MAX. <u>300</u>	MINIMUM <u>100</u>
MEAS. LINE	SHOE JOINT <u>41.62'</u>
CEMENT LEFT IN CSG. <u>41.62'</u>	
PERFS.	
DISPLACEMENT <u>47 bbl. FRESH WATER</u>	
EQUIPMENT	
PUMP TRUCK # <u>360</u>	CEMENTER <u>BILL M.</u> HELPER <u>LARRY F.</u>
BULK TRUCK # <u>363</u>	DRIVER <u>HEATH M.</u>
BULK TRUCK #	DRIVER

CEMENT	AMOUNT ORDERED		
	<u>235 SK 65' 35' 6" + 3% CC +</u>		
	<u>1/4" FLO-SEAL, 100 SK CLASS A + 3% CC +</u>		
	<u>2% GEL</u>		
COMMON	<u>100 A</u>	@ <u>11.10</u>	<u>1110.00</u>
POZMIX		@	
GEL	<u>2</u>	@ <u>16.65</u>	<u>33.30</u>
CHLORIDE	<u>11</u>	@ <u>46.60</u>	<u>512.60</u>
ASC		@	
	<u>ALW 235</u>	@ <u>10.45</u>	<u>2455.75</u>
	<u>Flo Seal 59 #</u>	@ <u>2.00</u>	<u>118.00</u>
		@	
		@	
		@	
		@	
		@	
HANDLING	<u>362</u>	@ <u>1.90</u>	<u>687.80</u>
MILEAGE	<u>70 x 362 x .09</u>		<u>2280.60</u>
TOTAL			<u>7198.05</u>

REMARKS:

PIPE ON BOTTOM, BREAK CIRCULATION, PUMP
PRE-FLUSH, PUMP 235 SK 65' 35' 6" + 3% CC
+ 1/4" FLO-SEAL, 100 SK CLASS A + 3% CC + 2%
GEL, STOP PUMPS, RELEASE PLUG, START
DISPLACEMENT, SEE LIFT, SLOW RATE,
BUMP PLUG, FLOAT HELD, DISPLACED
WITH 47 bbl. FRESH WATER,
CIRCULATE CEMENT

SERVICE

DEPTH OF JOB	<u>732'</u>		
PUMP TRUCK CHARGE	<u>0-300'</u>		<u>815.00</u>
EXTRA FOOTAGE	<u>432'</u>	@ <u>.65</u>	<u>280.80</u>
MILEAGE	<u>70</u>	@ <u>6.00</u>	<u>420.00</u>
MANIFOLD HEAD RENT		@ <u>100.00</u>	<u>100.00</u>
		@	
		@	

TOTAL 1615.80

PLUG & FLOAT EQUIPMENT

<u>8 5/8" RUBBER PLUG</u>	<u>1</u>	@ <u>100.00</u>	<u>100.00</u>
<u>8 5/8" AFU INSERT</u>	<u>1</u>	@ <u>335.00</u>	<u>335.00</u>
<u>8 5/8" BASKET</u>	<u>2</u>	@ <u>220.00</u>	<u>440.00</u>
		@	
		@	

TOTAL 875.00

ANY APPLICABLE TAX
WILL BE CHARGED
UPON INVOICING

TAX			
TOTAL CHARGE			
DISCOUNT			IF PAID IN 30 DAYS

CHARGE TO: PALOMINO PETROLEUM
STREET _____
CITY _____ STATE _____ ZIP _____

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.

SIGNATURE Mike Kew

MIKE KEW
PRINTED NAME

INVOICE

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

RECEIVED
JUN 20 2007

Invoice Number: 108755
Invoice Date: Jun 15, 2007
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	Taylor #1	Net 30 Days	
Sales Rep. ID	Camp Location	Service Date	Due Date
	Medicine Lodge	Jun 15, 2007	7/15/07

Quantity	Item	Description	Unit Price	Amount
81.00	MAT	Common A	11.10	899.10
54.00	MAT	Pozmix	6.20	334.80
7.00	MAT	Gel	16.65	116.55
142.00	SER	Handling	1.90	269.80
70.00	SER	Mileage 142 sx @.09 per sx per mi	12.78	894.60
1.00	SER	Pump Truck Charge	815.00	815.00
70.00	SER	Mileage	6.00	420.00

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

\$ 3,749.85

ONLY IF PAID ON OR BEFORE

Jul 15, 2007

Subtotal	3,749.85
Sales Tax	198.74
Total Invoice Amount	3,948.59
Payment/Credit Applied	
TOTAL	3,948.59

RECEIVED
KANSAS CORPORATION COMMISSION

SEP 24 2007

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC.

31105

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

SERVICE POINT: *Medicine Lodge*

DATE <i>6/12/07</i>	SEC <i>20</i>	TWP. <i>30S</i>	RANGE <i>23W</i>	CALLED OUT <i>10:30 a.m.</i>	ON LOCATION <i>2:00 A.M.</i>	JOB START <i>5:00 A.M.</i>	JOB FINISH <i>6:30 A.M.</i>
LEASE <i>Taylor</i>	WELL # <i>1</i>	LOCATION <i>13loom Ks. 5 south E/into Clark</i>		COUNTY <i>Clark</i>	STATE <i>KS</i>		

OLD OR NEW (Circle one)

CONTRACTOR *Dicknell ID*

TYPE OF JOB *2nd plug*

HOLE SIZE *7 7/8* T.D. _____

CASING SIZE *8 5/8* DEPTH *732*

TUBING SIZE _____ DEPTH _____

DRILL PIPE *4 1/2* DEPTH *1410*

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT *Mud/H₂O*

EQUIPMENT _____

PUMP TRUCK CEMENTER *Mike Coby*

352 HELPER *Clint W.*

BULK TRUCK _____

389 DRIVER *Raymond R.*

BULK TRUCK _____

_____ DRIVER _____

REMARKS:

Spot 1st plug @ 1450' @ 50sx, disp w/mud.
Spot 2nd plug @ 750' 50sx Chap w/
truck.
Spot 3rd plug @ 600' w/20sx
plug Rat Hole w/15'sx

CHARGE TO: *Palomino Petroleum*

STREET _____

CITY _____ STATE _____ ZIP _____

KCC
 SEP 19 2007
CONFIDENTIAL

OWNER *Palomino Petroleum*

CEMENT AMOUNT ORDERED *135sx 60'40'6*

COMMON	<i>81 A</i>	@ <i>11.10</i>	<i>899.10</i>
POZMIX	<i>54</i>	@ <i>6.20</i>	<i>334.80</i>
GEL	<i>7</i>	@ <i>16.65</i>	<i>116.55</i>
CHLORIDE		@	
ASC		@	
		@	
		@	
		@	
		@	
		@	
		@	
		@	
HANDLING	<i>142</i>	@ <i>1.90</i>	<i>269.80</i>
MILEAGE	<i>70 x 142 x .09</i>		<i>894.60</i>
			TOTAL <i>2514.85</i>

SERVICE

DEPTH OF JOB	<i>1450</i>		
PUMP TRUCK CHARGE			<i>815.00</i>
EXTRA FOOTAGE		@	
MILEAGE	<i>70</i>	@ <i>6.00</i>	<i>420.00</i>
MANIFOLD		@	
		@	
		@	

TOTAL *1235.00*

PLUG & FLOAT EQUIPMENT

	@	
	@	
	@	
	@	
	@	

ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING

TOTAL _____

TAX _____

TOTAL CHARGE ~~_____~~

DISCOUNT ~~_____~~ IF PAID IN 30 DAYS

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.

SIGNATURE *Mike Kern*
Thank You!

Mike Kern
 PRINTED NAME

9/19/08



PALOMINO PETROLEUM, INC.

4924 SE 84th St. • Newton, Kansas 67114-8827
(316) 799-1000 • FAX (316) 799-2728

September 19, 2007

KCC
SEP 19 2007
CONFIDENTIAL

Kansas Corporation Commission
130 S. Market-Room 2078
Wichita, Kansas 67202

Re: Taylor #1 – W/2 W/2 W/2 Sec. 20-30S-23W - Clark County, Kansas

Dear Sharon:

We are requesting the well information for the Taylor #1 be kept confidential.

Sincerely,

PALOMINO PETROLEUM, INC.

A handwritten signature in black ink that reads "Klee R. Watchous". The signature is written in a cursive, flowing style.

Klee R. Watchous
President

KRW/cp

Enclosures

RECEIVED
KANSAS CORPORATION COMMISSION

SEP 24 2007

CONSERVATION DIVISION
WICHITA, KS