

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: Southwind Drilling, Inc.
License: 33350
Wellsite Geologist: Robert A. Schreiber

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>12/1/05</u>	<u>12/13/05</u>	<u>12/13/05</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24422-0000
County: Ness
NE NW NW Sec. 26 Twp. 16 S. R. 25 East West
330 feet from S (N) (circle one) Line of Section
1080 feet from E (W) (circle one) Line of Section

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

Field Name: Arnold
Producing Formation: None
Elevation: Ground: 2563 Kelly Bushing: 2573
Total Depth: 4579 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 224 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 *PTA AIT I NW*
(Data must be collected from the Reserve Pit) *9-12-08*
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. JAN 19 2006 East West
County: _____ Docket No. _____
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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: December 29, 2005

Subscribed and sworn to before me this 29th day of December,
2005.

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

LOGS

Ft. Scott	4430	(-1857)
Cherokee Sh.	4455	(-1882)
Miss.	4518	(-1945)
Miss. Dolo.	4540	(-1967)
LTD	4579	(-2006)

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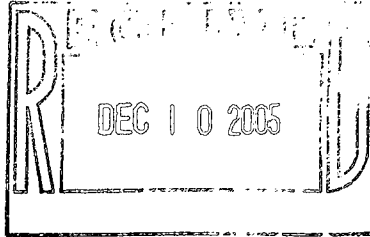
Allied Cementing Co., Inc
P.O. Box 31
Russell, KS 67665

* I N V O I C E *

Invoice Number: 099729

Invoice Date: 12/06/05

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



Cust I.D.....: Palo
P.O. Number...: Livingston #1
P.O. Date.....: 12/06/05

Due Date.: 01/05/06
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	160.00	SKS	8.7000	1392.00	T
Gel	3.00	SKS	14.0000	42.00	T
Chloride	5.00	SKS	38.0000	190.00	T
Handling	168.00	SKS	1.6000	268.80	E
Mileage	22.00	MILE	10.0800	221.76	E
168 sks @.06 per sk per mi					
Surface	1.00	JOB	670.0000	670.00	E
Mileage pmp trk	22.00	MILE	5.0000	110.00	E
Wood Plug	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 \$294.96
ONLY if paid within 30 days from Invoice Date

Subtotal:	2949.56
Tax.....:	88.99
Payments:	0.00
Total....:	3038.55

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

SERVICE POINT:

New City

DATE <i>12-2-05</i>	SEC. <i>26</i>	TWP. <i>16</i>	RANGE <i>25w</i>	CALLED OUT <i>8:30 pm</i>	ON LOCATION <i>Midnight</i>	JOB START <i>3:00 am</i>	JOB FINISH <i>3:45 am</i>
LEASE <i>Livingston</i>	WELL # <i>#1</i>	LOCATION <i>Arnold - West - South</i>			COUNTY <i>New</i>	STATE <i>Ks</i>	
OLD OR NEW (Circle one) <u>NEW</u>			<i>to Rig</i>				

CONTRACTOR *Southern #1*

TYPE OF JOB *Surface Pipe*

HOLE SIZE *12 1/4* T.D. *227'*

CASING SIZE *8 5/8* DEPTH *227'*

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. *approx 15'*

PERFS. _____

DISPLACEMENT *14 BBLs*

OWNER *Palomino Pet.*

CEMENT

AMOUNT ORDERED *160.00 Common 390*

61.9 29.90

COMMON	<i>160</i>	@	<i>8.70</i>	<i>1392.00</i>
POZMIX		@		
GEL	<i>3</i>	@	<i>14.00</i>	<i>42.00</i>
CHLORIDE	<i>5</i>	@	<i>38.00</i>	<i>190.00</i>
ASC		@		

EQUIPMENT

PUMP TRUCK # *224* CEMENTER *Jack*

BULK TRUCK # *266* DRIVER *Rannon*

BULK TRUCK # _____ DRIVER _____

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HANDLING	<i>168</i>	@	<i>1.60</i>	<i>268.80</i>
MILEAGE	<i>22.6</i>	@	<i>168</i>	<i>221.76</i>
TOTAL				<i>2114.56</i>

REMARKS:

Run 5 jts of 8 5/8 csg - cement with 160.00 cement - Displace plug with 14 1/2 BBLs of fresh water - Cement did circ. Plug down @ 3:45 am.

Thanks

CHARGE TO: *Palomino Petroleum, Inc*

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB				
PUMP TRUCK CHARGE				<i>670.00</i>
EXTRA FOOTAGE		@		
MILEAGE	<i>22</i>	@	<i>5.00</i>	<i>110.00</i>
TOTAL				<i>780.00</i>

PLUG & FLOAT EQUIPMENT

MANIFOLD		@		
<i>1-8 5/8 Wood</i>		@		<i>55.00</i>
TOTAL				<i>55.00</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 *Doug Roberts*

Doug Roberts
PRINTED NAME