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KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1
September 1999
Form Must Be Typed

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 SIOW 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. _____

8/17/05 8/26/05 8/26/05
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 135-24389-0000
County: Ness
SE NE SW Sec. 34 Twp. 16 S. R. 25 East West
1670 feet from (S) N (circle one) Line of Section
2400 feet from E (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW (SW)
Lease Name: Webster Well #: 1
Field Name: None (Wildcat)
Producing Formation: None
Elevation: Ground: 2516 Kelly Bushing: 2526
Total Depth: 4545 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 PA AH II NCR
(Data must be collected from the Reserve Pit) 9-3-08
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: November 2, 2005
Subscribed and sworn to before me this 2nd day of November,
20 05.
Notary Public: Carla R. Penwell
Date Commission Expires: October 6, 2009

NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
My Appt. Expires 12-6-09

KCC Office Use ONLY
NO Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

✓

X

Operator Name: Palomino Petroleum, Inc. Lease Name: Webster Well #: 1
 Sec. 34 Twp. 16 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 <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, Compensated Density/ Neutron, 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:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Anhy.</td> <td>1864</td> <td>(+ 662)</td> </tr> <tr> <td>Base Anhy.</td> <td>1894</td> <td>(+ 632)</td> </tr> <tr> <td>Topeka</td> <td>3556</td> <td>(-1030)</td> </tr> <tr> <td>Heebner</td> <td>3825</td> <td>(-1299)</td> </tr> <tr> <td>LKC</td> <td>3864</td> <td>(-1338)</td> </tr> <tr> <td>BKC</td> <td>4164</td> <td>(-1638)</td> </tr> <tr> <td>Marmaton</td> <td>4217</td> <td>(-1691)</td> </tr> <tr> <td>Pawnee</td> <td>4295</td> <td>(-1769)</td> </tr> </table>	Name	Top	Datum	Anhy.	1864	(+ 662)	Base Anhy.	1894	(+ 632)	Topeka	3556	(-1030)	Heebner	3825	(-1299)	LKC	3864	(-1338)	BKC	4164	(-1638)	Marmaton	4217	(-1691)	Pawnee	4295	(-1769)
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Pawnee	4295	(-1769)																										

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#	224'	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

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 Vented Sold Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval _____

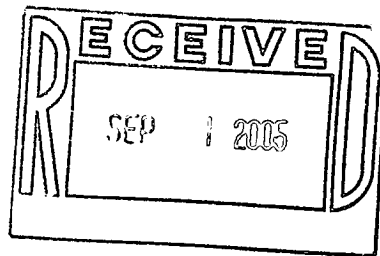
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ORIGINAL

LOG TOPS

Ft. Scott	4370	(-1844)
Cherokee Sh.	4394	(-1868)
Rew. Miss.	4461	(-1935)
Miss. Dolo.	4470	(-1944)
LTD	4545	(-2019)

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Invoice

DATE	INVOICE #
8/27/2005	9032

BILL TO
Palomino Petroleum Inc. 4924 S E 84th Street Newton, KS 67114-8827

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Webster	Ness	Southwind Drillin...	Oil	Workover	PTA	Wayne

PRICE REF.	DESCRIPTION	QTY	UM	UNIT PRICE	AMOUNT
575W	Mileage - 1 Way	30	Miles	4.00	120.00T
576W-P	Pump Charge - PTA	1	Job	650.00	650.00T
410-8	8 5/8" Top Plug	1	Each	80.00	80.00T
276	Flocele	66	Lb(s)	1.10	72.60T
328	Swift Light 60/40 Pozmix (6% Gel)	265	Sacks	7.00	1,855.00T
581W	Service Charge Cement	265	Sacks	1.10	291.50T
583W	Drayage	341.28	Ton Miles	1.00	341.28T
	Subtotal				3,410.38
	Sales Tax Ness County			5.30%	180.75

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Thank You For Your Business!	Total	\$3,591.13
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CHARGE TO:
PALOMENO PETROLEUM
 ADDRESS
 CITY, STATE, ZIP CODE

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TICKET
 No 9032

PAGE 1 OF 1

SERVICE LOCATIONS 1. NESS CITY, KS	WELL/PROJECT NO. # /	LEASE WEBSTER	COUNTY/PARISH NESS	STATE Ks	CITY	DATE 8-27-05	OWNER SAME
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR SOUTHWIND DRILL #1	RIG NAME/NO.	SHIPPED VIA CT	DELIVERED TO LOCATION	ORDER NO.	
3.	WELL TYPE OIL	WELL CATEGORY ABANDONED	JOB PURPOSE PTA	WELL PERMIT NO.	WELL LOCATION ARNDEN, Ks - 2W, 1 3/4 S, E 2W TO		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE # 106	30		ME		4.00	120.00
576P		1			PUMP SERVICE	1		NOB		650.00	650.00
410		1			TOP PLUG	1		EA	85/8"	80.00	80.00
276		1			FLOCCIE	66		UBS		1.10	72.60
328		1			SWIFT LIGHT 60/40 POZMAX (670 GEC)	265		SLD		7.00	1855.00
581		1			SERVICE CHARGE COMM.	265		SLD		1.00	291.50
583		1			DRAINAGE	22752		UBS	341.28	1.00	341.28

LEGAL TERMS: Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

x *Arnel Reed*
 DATE SIGNED **8-27-05** TIME SIGNED **0630**
 A.M.
 P.M.

REMIT PAYMENT TO:
SWIFT SERVICES, INC.
P.O. BOX 466
NESS CITY, KS 67560
785-798-2300

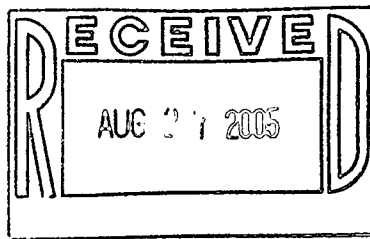
SURVEY	AGREE	UN-DECIDED	DIS-AGREE
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?			
WE UNDERSTOOD AND MET YOUR NEEDS?			
OUR SERVICE WAS PERFORMED WITHOUT DELAY?			
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?			
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES <input type="checkbox"/> NO		
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND			

PAGE TOTAL	3410	38
TAX	180	75
TOTAL	3591	13

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.

SWIFT OPERATOR
WAVE WASS

APPROVAL
 Thank You!



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

Russell, KS 67665

* I N V O I C E *

Invoice Number: 098133

Invoice Date: 08/24/05

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

Cust I.D.....: Palo
P.O. Number...: Webster #1
P.O. Date.....: 08/24/05

Due Date.: 09/23/05
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	24.00	MILE	10.1400	243.36	E
169 sks @.06 per sk per mi					
Surface	1.00	JOB	670.0000	670.00	E
Mileage pmp trk	24.00	MILE	5.0000	120.00	E
Top Wood	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 \$ 299.68
ONLY if paid within 30 days from Invoice Date

Subtotal: 2996.76
Tax.....: 89.73
Payments: 0.00
Total....: 3086.49

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ALLIED CEMENTING CO., INC. 17252

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

SERVICE POINT: ✓

Wasson City

DATE <u>8-17-05</u>	SEC. <u>34</u>	TWP. <u>16</u>	RANGE <u>25</u>	CALLED OUT <u>7:00pm</u>	ON LOCATION <u>9:30pm</u>	JOB START <u>1:30pm</u>	JOB FINISH <u>2:00pm</u>
LEASE <u>Water</u>		WELL # <u>1</u>	LOCATION <u>Arnold 2w 1 1/2 S 1/2 E</u>		COUNTY <u>Wasson</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Southern Drill #1 OWNER _____

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 227

CASING SIZE 8 5/8 DEPTH 224

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. 15

PERFS. _____

DISPLACEMENT 13

CEMENT AMOUNT ORDERED 160 ccm 3% cc 2% Adl.

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>24.6</u>	@	<u>10.169</u>	<u>243.36</u>
TOTAL				<u>2151.76</u>

EQUIPMENT

PUMP TRUCK CEMENTER Mike

224 HELPER W. Williams

BULK TRUCK

341 DRIVER Terry

BULK TRUCK

_____ DRIVER _____

REMARKS:

New 20th
case 8 5/8 csg w/ long pump
Max Cemt, drop plug w 13
Cemt did Case

Thanks

CHARGE TO: Palominos Pet. Inc.

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB 224

PUMP TRUCK CHARGE 670.00

EXTRA FOOTAGE _____ @ _____

MILEAGE 24 @ 5.00 120.00

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KCC WICHITA

TOTAL 790.00

PLUG & FLOAT EQUIPMENT

MANIFOLD _____ @ _____

8 5/8 Top 4000 @ 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.

SIGNATURE Doug Roberts

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

Doug Roberts
PRINTED NAME