

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: Pickrell Drilling Company, Inc.  
License: 5123

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. \_\_\_\_\_

<u>2/6/06</u>	<u>2/16/06</u>	<u>3/16/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24443-0000  
County: Ness  
C N/2 S/2 Sec. 27 Twp. 18 S. R. 24  East  West  
2080 feet from S / N (circle one) Line of Section  
2500 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW

Lease Name: Miner Unit Well #: 1  
Field Name: McDonald NE

Producing Formation: None  
Elevation: Ground: 2288 Kelly Bushing: 2293

Total Depth: 4372 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 \_\_\_\_\_  
feet depth to \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

Drilling Fluid Management Plan P+A AH I MR  
(Data must be collected from the Reserve Pit) 10-28-08

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: April 18, 2006

Subscribed and sworn to before me this 18th day of April

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

Date Commission Expires: October 16, 2009  
NOTARY PUBLIC - State of Kansas  
CARLA R. PENWELL  
My Appt. Expires 10-16-09

**KCC Office Use ONLY**

Letter of Confidentiality Received  
If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

Operator Name: Palomino Petroleum, Inc. Lease Name: Miner Unit Well #: 1  
 Sec. 27 Twp. 18 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

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Log Formation (Top), Depth and Datum  Sample

Name	Top	Datum
Anhy.	1556	(+ 737)
Base Anhy.	1593	(+ 700)
Topeka	3366	(-1073)
Heebner	3666	(-1373)
Toronto	3686	(-1393)
LKC	3709	(-1416)
BKC	4004	(-1711)
Marmaton	4040	(-1747)

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
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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

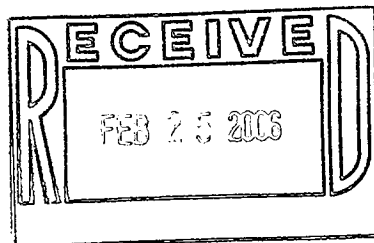
Vented  Sold  Used on Lease  Open Hole  Perf.  Dually Comp.  Commingled  
 (If vented, Submit ACO-18.)  Other (Specify) \_\_\_\_\_

**LOGS**

Pawnee	4126	(-1833)
Ft. Scott	4205	(-1912)
Cherokee Sh.	4227	(-1934)
Miss. Dolo.	4302	(-2009)
LTD	4372	(-2079)

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APR 19 2006  
KCC WICHITA

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



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\* I N V O I C E \*  
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Invoice Number: 100957

Invoice Date: 02/22/06

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

RECEIVED  
APR 19 2006  
KCC WICHITA

Cust I.D.....: Palo  
P.O. Number...: Miner Unit #1  
P.O. Date.....: 02/22/06

Due Date.: 03/24/06  
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	147.00	SKS	9.6000	1411.20	T
Pozmix	98.00	SKS	5.2000	509.60	T
Gel	15.00	SKS	15.0000	225.00	T
FloSeal	61.00	LBS	1.8000	109.80	T
Handling	262.00	SKS	1.7000	445.40	T
Mileage min.	1.00	MILE	200.0000	200.00	T
Rotary Plug	1.00	JOB	730.0000	730.00	T
Mileage pmp trk	3.00	MILE	5.0000	15.00	T

All Prices Are Net, Payable 30 Days Following  
Date of Invoice. 1 1/2% Charged Thereafter.  
If Account CURRENT take Discount of \$ 364.60  
ONLY if paid within 30 days from Invoice Date

Subtotal:	3646.00
Tax.....:	193.24
Payments:	0.00
Total....:	3839.24

# ALLIED CEMENTING CO., INC.

22494

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

SERVICE POINT:  
Ness City

DATE <u>2-15-06</u>	SEC. <u>27</u>	TWP. <u>18</u>	RANGE <u>24</u>	CALLED OUT <u>5:30pm</u>	ON LOCATION <u>8:45pm</u>	JOB START <u>12:00AM</u>	JOB FINISH <u>1:45AM</u>
LEASE <u>Miner Unit</u>	WELL# <u>1</u>	LOCATION <u>Ness City 2 1/2w 14w</u>			COUNTY <u>Ness</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Pickrell Drilling #10  
 TYPE OF JOB Rotary Plug  
 HOLE SIZE 7 7/8 T.D. 4370  
 CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT \_\_\_\_\_

OWNER \_\_\_\_\_  
 CEMENT AMOUNT ORDERED \_\_\_\_\_  
245 6 3/4 6 3/4 gal  
14# Flo Seal per spec

EQUIPMENT  
 PUMP TRUCK CEMENTER Mike  
 # 224 HELPER L. Weighman  
 BULK TRUCK  
 # 357 DRIVER Steve  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON	<u>147</u>	@	<u>9.60</u>	<u>1411.20</u>
POZMIX	<u>98</u>	@	<u>5.20</u>	<u>509.60</u>
GEL	<u>15</u>	@	<u>15.00</u>	<u>225.00</u>
CHLORIDE		@		
ASC		@		
<u>Flo Seal 61</u>		@	<u>1.80</u>	<u>109.80</u>
		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>262</u>	@	<u>1.70</u>	<u>445.40</u>
MILEAGE	<u>3.262.7 min</u>			<u>200.00</u>
TOTAL				<u>2901.00</u>

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 APR 19 2006  
 KCC WICHITA

REMARKS:

<u>50s.e 1602'</u>	
<u>80</u>	<u>850</u>
<u>30</u>	<u>425</u>
<u>50</u>	<u>250</u>
<u>20</u>	<u>60</u>
<u>15</u>	<u>RH.</u>

Thanks

CHARGE TO: Palomino Pet Inc.  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

SERVICE

DEPTH OF JOB	<u>1602</u>			
PUMP TRUCK CHARGE				<u>730.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>3</u>	@	<u>5.00</u>	<u>15.00</u>
MANIFOLD		@		
		@		
		@		
TOTAL				<u>745.00</u>

PLUG & FLOAT EQUIPMENT

	@		
	@		
	@		
	@		
	@		
TOTAL			<u>0</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.

TAX \_\_\_\_\_  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

SIGNATURE Mike Kern

Mike Kern  
 PRINTED NAME

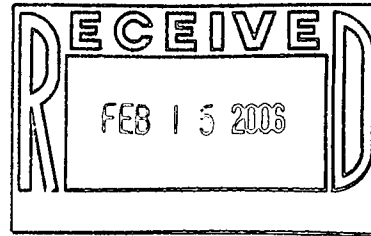
Allied Cementing Co., Inc  
P.O. Box 31  
Russell, KS 67665

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\* \* \* \* \*  
\* I N V O I C E \*  
\* \* \* \* \*  
\*\*\*\*\*

Invoice Number: 100730

Invoice Date: 02/10/06

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



Cust I.D.....: Palo  
P.O. Number...: Miner Unit #1  
P.O. Date.....: 02/10/06

Due Date.: 03/12/06  
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 min.	1.00	MILE	180.0000	180.00	E
Surface	1.00	JOB	670.0000	670.00	E
Mileage pmp trk	3.00	MILE	5.0000	15.00	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 \$ 281.28  
ONLY if paid within 30 days from Invoice Date

Subtotal:	2812.80
Tax.....:	88.99
Payments:	0.00
Total....:	2901.79

RECEIVED  
APR 19 2006  
KCC WICHITA

# ALLIED CEMENTING CO., INC.

22489

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

SERVICE POINT:

Nass City

DATE <u>2-6-06</u>	SEC. <u>27</u>	TWP. <u>18</u>	RANGE <u>24</u>	CALLED OUT <u>8:00am</u>	ON LOCATION <u>10:15am</u>	JOB START <u>12:30pm</u>	JOB FINISH <u>1:00pm</u>
LEASE <u>Unit</u>	WELL# <u>1</u>	LOCATION <u>Nass City 2 1/2 w 1/4 n</u>			COUNTY <u>Nass</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one) <u>NEW</u>							

CONTRACTOR Pickell Only #10

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 224

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 3/4

OWNER \_\_\_\_\_

CEMENT AMOUNT ORDERED 160 Com 3% cc 2% ad

COMMON	<u>160</u>	@	<u>8.70</u>	<u>1392.00</u>
POZMIX		@		
GEL	<u>3</u>	@	<u>14.00</u>	<u>42.00</u>
CHLORIDE	<u>5</u>	@	<u>38.00</u>	<u>190.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>168</u>	@	<u>1.60</u>	<u>268.80</u>
MILEAGE	<u>3.6</u>	<u>168</u>	<u>min</u>	<u>180.00</u>
				TOTAL <u>2072.80</u>

EQUIPMENT

PUMP TRUCK CEMENTER MIKE

# 224 HELPER J. Weighaus

BULK TRUCK

# 260 DRIVER Brandon

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

REMARKS:

New 20"  
Circ 8 5/8 cas w/ reg pump  
Max Cant drop plug w/ 13 3/4 BBL  
Cemt dead Circ.

Thanks

CHARGE TO: Palomares Pet. Inc.

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

SERVICE

DEPTH OF JOB	<u>224</u>		
PUMP TRUCK CHARGE			<u>670.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>3</u>	@	<u>5.00</u> <u>15.00</u>
MANIFOLD		@	
		@	
		@	
TOTAL <u>685.00</u>			

PLUG & FLOAT EQUIPMENT

<u>8 5/8 Top Wood</u>	@	<u>55.00</u>
	@	
	@	
	@	
	@	
TOTAL <u>55.00</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.

SIGNATURE Man Pj

TAX \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

PRINTED NAME \_\_\_\_\_