

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

ORIGINAL

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

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: Jon R. (Zeb) Stewart

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>9/18/06</u>	<u>9/25/06</u>	<u>9/25/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24536-0000
County: Ness
W/2 - NW - NE Sec. 6 Twp. 20 S. R. 24 East West
720 feet from S (N) (circle one) Line of Section
2280 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) (NE) SE NW SW
Lease Name: Sorensen Well #: 1
Field Name: Hair West
Producing Formation: None
Elevation: Ground: 2351 Kelly Bushing: 2356
Total Depth: 4505 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 cm.

PA-Dlg-11/25/08

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: _____
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: October 26, 2006
Subscribed and sworn to before me this 26th day of October,
20 06.

Notary Public Carla R. Penwell
NOTARY PUBLIC State of Kansas
CARLA R. PENWELL
Date Commission Expires: October 6, 2009
My Appt. Expires 10-6-09

KCC Office Use ONLY

N Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received **RECEIVED**
 Geologist Report Received **OCT 27 2006**
 UIC Distribution **KCC WICHITA**

Operator Name: Palomino Petroleum, Inc. Lease Name: Sorensen Well #: 1
 Sec. 6 Twp. 20 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, Sonic

Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
Anhy.	1620	(+ 736)
Base Anhy.	1658	(+ 698)
Topeka	3432	(-1076)
Heebner	3754	(-1398)
Toronto	3774	(-1418)
LKC	3797	(-1441)
BKC	4126	(-1770)
Marmaton	4167	(-1811)

CASING RECORD New 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

TUBING RECORD Size Set At Packer At Liner Run Yes No

Date of First, Resumerd Production, SWD or Enhr. Producing Method Flowing Pumping Gas Lift 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) _____

RECEIVED

OCT 27 2006

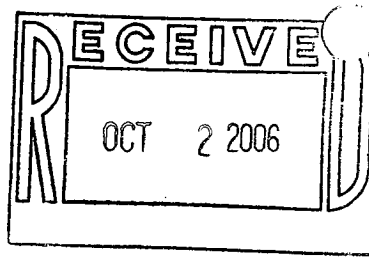
KCC WICHITA

LOGS

Pawnee	4238	(-1882)
Ft. Scott	4316	(-1960)
Cherokee Sh.	4339	(-1983)
Miss. Dolo.	4431	(-2075)
LTD	4505	(-2149)

RECEIVED
OCT 27 2006
KCC WICHITA

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



 * I N V O I C E *

Invoice Number: 104678

Invoice Date: 09/29/06

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

Cust I.D.....: Palo
 P.O. Number...: Sorensen #1
 P.O. Date.....: 09/29/06

Due Date.: 10/29/06
 Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	129.00	SKS	10.6500	1373.85	T
Pozmix	86.00	SKS	5.8000	498.80	T
Gel	11.00	SKS	16.6500	183.15	T
Handling	228.00	SKS	1.9000	433.20	T
Mileage	14.00	MILE	20.5200	287.28	T
228 sks @.09 per sk per mi					
FloSeal	54.00	LBS	2.0000	108.00	T
Rotary Plug	1.00	JOB	815.0000	815.00	T
Mileage pmp trk	14.00	MILE	6.0000	84.00	T

All Prices Are Net, Payable 30 Days Following
 Date of Invoice. 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of 378.33
 ONLY if paid within 30 days from Invoice Date

Subtotal:	3783.28
Tax.....:	200.51
Payments:	0.00
Total....:	3983.79

RECEIVED
 OCT 27 2006
 KCC WICHITA

ALLIED CEMENTING CO., INC.

23677

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

SERVICE POINT:
Ness City

DATE <u>9-26-06</u>	SEC. <u>6</u>	TWP. <u>20</u>	RANGE <u>24</u>	CALLED OUT <u>9:00 AM</u>	ON LOCATION <u>1:00 PM</u>	JOB START <u>1:15 PM</u>	JOB FINISH <u>3:15 PM</u>
LEASE <u>Sorensen</u>		WELL # <u>1</u>	LOCATION <u>Ness City 7 south, 6 1/2 west, south into.</u>		COUNTY <u>Ness</u>	STATE <u>Kansas</u>	
<input checked="" type="radio"/> OLD <input type="radio"/> NEW (Circle one)							

CONTRACTOR Fickell
 TYPE OF JOB Rotary Plug
 HOLE SIZE 7 7/8 T.D. 4504'
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 XH DEPTH 1650'
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER Falemino Petroleum, Inc.
 CEMENT
 AMOUNT ORDERED 215 ax 60/40 poz
6% Gel 1/4" flo seal per ax.

COMMON	<u>129 ax.</u>	@	<u>10.65</u>	<u>1373.85</u>
POZMIX	<u>86 ax.</u>	@	<u>5.80</u>	<u>498.80</u>
GEL	<u>11 ax.</u>	@	<u>16.65</u>	<u>183.15</u>
CHLORIDE		@		
ASC		@		
FLO-SEAL	<u>54 #</u>	@	<u>2.00</u>	<u>108.00</u>
RECEIVED				
OCT 27 2006				
KCC WICHITA				
HANDLING	<u>228 ax</u>	@	<u>1.90</u>	<u>433.20</u>
MILEAGE	<u>228 ax 09</u>	@	<u>14</u>	<u>287.28</u>
				TOTAL <u>2894.28</u>

EQUIPMENT

M.B.
 PUMP TRUCK CEMENTER Drilling
 # 181 HELPER Rick Heine
 BULK TRUCK
 # 342 DRIVER Kevin Davis
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

- 1st 1650' - 50 ax
- 2nd 800' - 80 ax
- 3rd 250' - 50 ax
- 4th 60' - 20 ax
Rathole 15 ax.

SERVICE

DEPTH OF JOB	<u>1650'</u>		
PUMP TRUCK CHARGE			<u>85.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>14</u>	@	<u>6.00</u>
MANIFOLD		@	
RECEIVED			
OCT 27 2006			
KCC WICHITA			TOTAL <u>89.00</u>

CHARGE TO: Falemino Petroleum Inc.
 STREET 4924 SE 84th St.
 CITY Newton STATE Kansas ZIP 67114-8827

Thank you!

PLUG & FLOAT EQUIPMENT

	@		
	@		
	@		
	@		
	@		
TOTAL _____			

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.

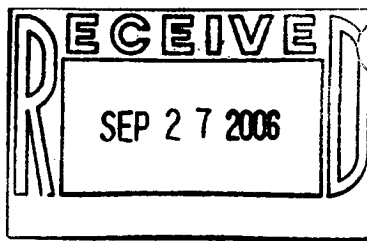
TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE X Mike Kern

X Mike Kern
 PRINTED NAME

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

Russell, KS 67665



*
* I N V O I C E *
*

Invoice Number: 104564

Invoice Date: 09/22/06

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

Cust I.D.....: Palo
P.O. Number...: Sorenson #1
P.O. Date.....: 09/22/06

Due Date.: 10/22/06
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	160.00	SKS	10.6500	1704.00	T
Gel	3.00	SKS	16.6500	49.95	T
Chloride	5.00	SKS	46.6000	233.00	T
Handling	168.00	SKS	1.9000	319.20	E
Mileage min.	1.00	MILE	240.0000	240.00	E
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	14.00	MILE	6.0000	84.00	E
TWP	1.00	EACH	60.0000	60.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of 350.51
ONLY if paid within 30 days from Invoice Date

Subtotal: 3505.15
Tax.....: 108.49
Payments: 0.00
Total....: 3613.64

RECEIVED
OCT 27 2006
KCC WICHITA

ALLIED CEMENTING CO., INC.

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

SERVICE POINT: 26213
Ats. General

DATE <u>9-18-06</u>	SEC. <u>1</u>	TWP. <u>20</u>	RANGE <u>24</u>	CALLED OUT <u>4:30pm</u>	ON LOCATION <u>7:15pm</u>	JOB START <u>10:00</u>	JOB FINISH <u>10:30</u>
LEASE <u>Sorenson</u>	WELL # <u>1</u>	LOCATION <u>New city 7s 6 1/2 w s.s.</u>			COUNTY <u>New</u>	STATE <u>KS</u>	
OLD OR <u>(NEW)</u> (Circle one)							

CONTRACTOR Pickrell Drilling #10

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 224

CASING SIZE 8 7/8 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 1/2

OWNER _____

CEMENT AMOUNT ORDERED 160 Com 3 1/2 cc 2 1/2 H.L.

COMMON	<u>160 Bl</u>	@	<u>10.65</u>	<u>1704.00</u>
POZMIX		@		
GEL	<u>3 Bl</u>	@	<u>16.65</u>	<u>49.95</u>
CHLORIDE	<u>5 Bl</u>	@	<u>46.60</u>	<u>233.00</u>
ASC		@		

RECEIVED				
OCT 27 2006				
KCC WICHITA				
HANDLING	<u>160 Bl</u>	@	<u>1.90</u>	<u>319.20</u>
MILEAGE	<u>14 @ 168</u>	@	<u>11</u>	<u>240.00</u>
				TOTAL
				<u>2546.15</u>

EQUIPMENT

PUMP TRUCK CEMENTER J. Weyhous

120 HELPER J.O.

BULK TRUCK

341 DRIVER Don

BULK TRUCK

_____ DRIVER _____

REMARKS:

New 20 #

circ 8 7/8 cas w/ reg pump

mix cement disp plug w/ 13 1/2 BOL

cemt did circ

Thanks

CHARGE TO: Palomino Pet

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB	<u>224</u>			
PUMP TRUCK CHARGE			<u>815.00</u>	
EXTRA FOOTAGE		@		
MILEAGE	<u>14</u>	@	<u>6.00</u>	
MANIFOLD		@		
		@		
		@		
				TOTAL
				<u>899.00</u>

PLUG & FLOAT EQUIPMENT

<u>8 7/8 Topwood</u>	@	<u>60.00</u>	<u>60.00</u>	
	@			
	@			
	@			
	@			
				TOTAL
				<u>60.00</u>

To Allied Cementing Co., Inc.
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TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Mike Kern

Mike Kern
PRINTED NAME