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JUL 31 2006

KCC WICHITA

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1 September 1999 Form Must Be Typed

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: Fossil Drilling, Inc. License: 33610 Wellsite Geologist: Robert A. Schreiber

Designate Type of Completion: [X] New Well [ ] Re-Entry [ ] Workover [ ] Oil [ ] SWD [ ] SLOW [ ] Temp. Abd. [ ] Gas [ ] ENHR [ ] SIGW [X] 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.

7/8/06 Spud Date or 7/17/06 Date Reached TD 7/17/06 Completion Date or 7/17/06 Recompletion Date

API No. 15 - 185-23367-0000 County: Stafford C SE NE Sec. 12 Twp. 21 S. R. 14 [ ] East [X] West 1880 feet from S / (N) (circle one) Line of Section 570 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner: (circle one) (NE) SE NW SW Lease Name: Magie Well #: 1 Field Name: None (Wildcat)

Producing Formation: None Elevation: Ground: 1913 Kelly Bushing: 1922 Total Depth: 3736 Plug Back Total Depth: Amount of Surface Pipe Set and Cemented at 267 Feet Multiple Stage Cementing Collar Used? [ ] Yes [X] No If yes, show depth set Feet If Alternate II completion, cement circulated from feet depth to w/ sx cmt. Alt-Dr-11-13-08

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.:

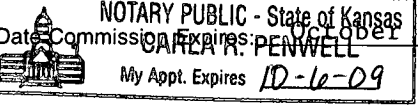
INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side 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: [Signature] Title: President Date: July 28, 2006

Subscribed and sworn to before me this 28th day of July 2006

Notary Public: Carla R. Penwell Date Commission Expires: October 6, 2009 My Appt. Expires: 10-6-09



KCC Office Use ONLY [X] Letter of Confidentiality Received [ ] If Denied, Yes [ ] Date: [ ] Wireline Log Received [ ] Geologist Report Received [ ] UIC Distribution

Operator Name: Palomino Petroleum, Inc. Lease Name: Magie Well #: 1  
 Sec. 12 Twp. 21 S. R. 14  East  West County: Stafford

**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, Micro

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Anhy.	814	(+1108)
Base Anhy.	837	(+1085)
Herington	1782	(+ 140)
Winfield	1838	(+ 84)
Towanda	1902	(+ 20)
Ft. Riley	1953	(- 31)
Blue Springs	2050	(- 128)
Speiser	2116	(- 194)

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#	267'	Common	265	2% gel, 3% c.c.
							w/add., 20bbls. KCL water

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
		<b>RECEIVED</b> <b>JUL 31 2006</b> <b>KCC WICHITA</b>	

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 \_\_\_\_\_

**LOGS**

Crouse	2152	(- 230)
Neva	2294	(- 372)
Red Eagle	2358	(- 436)
Woodsiding	2536	(- 614)
Stotler	2660	(- 738)
Tarkio	2720	(- 798)
Howard	2863	(- 941)
Topeka	2940	(-1018)
Heebner	3222	(-1300)
Toronto	3242	(-1320)
Brown Lime	3339	(-1417)
LKC	3350	(-1428)
BKC	3556	(-1634)
Marmaton	3560	(-1638)
Viola	3574	(-1652)
Simpson	3604	(-1682)
Arbuckle	3660	(-1738)
LTD	3736	(-1814)

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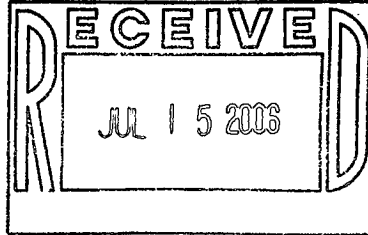
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JUL 31 2005  
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Allied Cementing Co., Inc  
P.O. Box 31  
Russell, KS 67665

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\* I N V O I C E \*  
\* \* \* \* \*  
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Invoice Number: 103363

Invoice Date: 07/12/06



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

Cust I.D.....: Palo  
P.O. Number..: Maggie #1  
P.O. Date....: 07/12/06

Due Date.: 08/11/06  
Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	465.00	SKS	10.6500	4952.25	T
Gel	9.00	SKS	16.6500	149.85	T
Chloride	14.00	SKS	46.6000	652.40	T
Handling	593.00	SKS	1.9000	1126.70	E
Mileage	12.00	MILE	47.4400	569.28	E
593 sks @.08 per sk per mi					
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	12.00	MILE	5.0000	60.00	E
Wood Plug	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 \$ 838.55  
ONLY if paid within 30 days from Invoice Date

Subtotal: 8385.48  
Tax.....: 366.32  
Payments: 0.00  
Total....: 8751.80

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JUL 31 2006  
KCC WICHITA

# ALLIED CEMENTING CO., INC.

23784

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

SERVICE POINT:  
Great Bend

DATE <u>7-8-06</u>	SEC. <u>12</u>	TWP. <u>21</u>	RANGE <u>14 W</u>	CALLED OUT <u>9:45 pm</u>	ON LOCATION <u>11:30 pm</u>	JOB START <u>5:00 am</u>	JOB FINISH <u>10:45 am</u>
LEASE <u>Maggie</u>		WELL # <u>#1</u>	LOCATION <u>South of #13 to city line -</u>		COUNTY <u>Stafford</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one) <u>NEW</u>			<u>3 west &amp; 1/2 south - west into</u>				

CONTRACTOR Fossil Dely

TYPE OF JOB Surface Pipe

HOLE SIZE 10 1/4" T.D. 267'

CASING SIZE 8 5/8" DEPTH 266'

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. approx 15'

PERFS. \_\_\_\_\_

DISPLACEMENT 16 1/2"

OWNER Palomino Pet. Inc.

CEMENT

AMOUNT ORDERED 265 Sx Common

3% gel 42% gel = 100 common @ 3% gel

200 Sx Common @ 3% gel

Used 465 Sx cement -

COMMON 465 Sx @ 10.65 4952.25

POZMIX \_\_\_\_\_ @ \_\_\_\_\_

GEL 9 Sx @ 16.65 149.85

CHLORIDE 14 Sx @ 46.60 652.40

ASC \_\_\_\_\_ @ \_\_\_\_\_

**EQUIPMENT**

PUMP TRUCK # 120 CEMENTER Jack

BULK TRUCK # 941 HELPER J.N.

BULK TRUCK # \_\_\_\_\_ DRIVER Brandon

BULK TRUCK # \_\_\_\_\_ DRIVER \_\_\_\_\_

**REMARKS:**

Run logs of 8 5/8 casing, cement with  
265 Sx cement - Displace plug with  
16 1/2" Bore of Water - Cement Did not Circ-  
Down @ 60' - 1" with 100 Sx cement @ 60' -  
Cement Did not Circ - Down to @ 40' - Cement  
with 100 Sx - Filled cellar - let stand 30 min  
before jct.  
Used 465 Sx cement Thanks from  
Job Done @ 10:45, Allied Cementing -

CHARGE TO: Palomino Pet. Inc.

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 [Signature]

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HANDLING 593.44 @ 1.90 1126.70

MILEAGE 593.44 @ 12 7121.28

TOTAL 7,452.48

**SERVICE**

DEPTH OF JOB 266'

PUMP TRUCK CHARGE 875.00

EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_

MILEAGE 12 @ 5.00 60.00

MANIFOLD \_\_\_\_\_ @ \_\_\_\_\_

TOTAL 875.00

**PLUG & FLOAT EQUIPMENT**

1-8 5/8 Ward @ 60.00 60.00

TOTAL 60.00

TAX \_\_\_\_\_

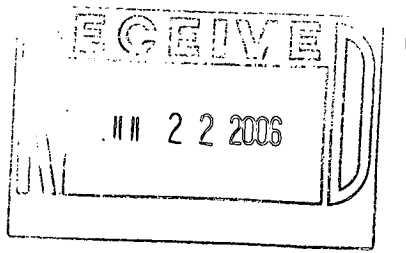
TOTAL CHARGE \_\_\_\_\_

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

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: 103528

Invoice Date: 07/20/06

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

Cust I.D.....: Palo  
P.O. Number...: Maggie #1  
P.O. Date.....: 07/20/06

Due Date.: 08/19/06  
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	111.00	SKS	10.6500	1182.15	T
Pozmix	74.00	SKS	5.8000	429.20	T
Gel	11.00	SKS	16.6500	183.15	T
Handling	196.00	SKS	1.9000	372.40	T
Mileage min.	1.00	MILE	240.0000	240.00	T
Rotary Plug	1.00	JOB	955.0000	955.00	T
Mileage pmp trk	12.00	MILE	5.0000	60.00	T

All Prices Are Net, Payable 30 Days Following	Subtotal:	3421.90
Date of Invoice. 1 1/2% Charged Thereafter.	Tax.....:	215.58
If Account CURRENT take Discount of \$ <u>342.19</u>	Payments:	0.00
ONLY if paid within 30 days from Invoice Date	Total....:	3637.48

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# ALLIED CEMENTING CO., INC.

24106

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

SERVICE POINT:

7-18-06 *ur at Band*

DATE <u>7-17-06</u>	SEC <u>12</u>	TWP. <u>21</u>	RANGE <u>14</u>	CALLED OUT <u>11:00 PM</u>	ON LOCATION <u>12:30 AM</u>	JOB START <u>2:00 AM</u>	JOB END <u>6:00 AM</u>
LEASE <u>Maggie</u>		WELL # <u>1</u>	LOCATION <u>Barton + Stafford Co. line</u>			COUNTY <u>Stafford</u>	STATE <u>K.S.</u>
OLD OR NEW (Circle one)			<u>+281 Hwy 3W 1/2 S W/S</u>				

CONTRACTOR Fossil Reg 1  
 TYPE OF JOB Rotary Plug  
 HOLE SIZE \_\_\_\_\_ T.D. 3738  
 CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4 1/2 DEPTH 3665  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT \_\_\_\_\_

OWNER \_\_\_\_\_  
 CEMENT AMOUNT ORDERED 185 <sup>60</sup>/<sub>100</sub> 6.2 gel

COMMON	<u>111</u>	@	<u>10.65</u>	<u>1182.15</u>
POZMIX	<u>74</u>	@	<u>5.80</u>	<u>429.20</u>
GEL	<u>11</u>	@	<u>16.65</u>	<u>183.15</u>
CHLORIDE		@		
ASC		@		

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EQUIPMENT

PUMP TRUCK # <u>181</u>	CEMENTER <u>Mike M.</u>
	HELPER <u>Rick H.</u>
BULK TRUCK # <u>342</u>	DRIVER <u>Don D.</u>
BULK TRUCK # _____	DRIVER _____

HANDLING	<u>196</u>	@	<u>1.90</u>	<u>372.40</u>
MILEAGE	<u>12</u>	@	<u>8.196 min.</u>	<u>240.00</u>
				TOTAL <u>2406.90</u>

REMARKS:

50 sk at 3665 ft  
50 sk at 820 ft  
50 sk at 285 ft  
20 sk at 80 ft  
15 sk in R.H.

SERVICE

DEPTH OF JOB	<u>3665</u>		
PUMP TRUCK CHARGE			<u>955.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>12</u>	@	<u>5.00</u> <u>60.00</u>
MANIFOLD		@	
		@	
		@	
TOTAL <u>1015.00</u>			

CHARGE TO: Palomino Petro  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

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 L B...

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