

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, KS 67114-8827
Purchaser: None
Operator Contact Person: Klee R. Watchous
Phone: (316) 799-1000
Contractor: Name: Fossil Drilling, Inc.
License: 33610
Wellsite Geologist: James C. Musgrove

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>10/5/06</u>	<u>10/14/06</u>	<u>10/14/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 185-23395-0000
County: Stafford
W/2 - SW - SW Sec. 21 Twp. 22 S. R. 13 East West
790 feet from (S) N (circle one) Line of Section
180 feet from E (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW (SW)
Lease Name: Rusco-Golden Belt Well #: 1
Field Name: None (Wildcat)
Producing Formation: None
Elevation: Ground: 1900 Kelly Bushing: 1911
Total Depth: 3980 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 308 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/ _____ ^{sq cmt} FA-Dlg-11/26/06

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: November 13, 2006

Subscribed and sworn to before me this 13th day of November,
20 06

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

KCC Office Use ONLY

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

RECEIVED
NOV 15 2006
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Operator Name: Palomino Petroleum, Inc. Lease Name: Rusco-Golden Belt Well #: 1
 Sec. 21 Twp. 29 S. R. 13 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 <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: None	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Anhy.</td> <td>769</td> <td>(+1142)</td> </tr> <tr> <td>Base Anhy.</td> <td>781</td> <td>(+1130)</td> </tr> <tr> <td>Heebner</td> <td>3286</td> <td>(-1375)</td> </tr> <tr> <td>Toronto</td> <td>3311</td> <td>(-1400)</td> </tr> <tr> <td>Douglas</td> <td>3325</td> <td>(-1414)</td> </tr> <tr> <td>Brown Lime</td> <td>3418</td> <td>(-1507)</td> </tr> <tr> <td>LKC</td> <td>3440</td> <td>(-1529)</td> </tr> <tr> <td>BKC</td> <td>3664</td> <td>(-1753)</td> </tr> </table>	Name	Top	Datum	Anhy.	769	(+1142)	Base Anhy.	781	(+1130)	Heebner	3286	(-1375)	Toronto	3311	(-1400)	Douglas	3325	(-1414)	Brown Lime	3418	(-1507)	LKC	3440	(-1529)	BKC	3664	(-1753)
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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#	308'	common	285	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	Acid, Fracture, Shot, Cement Squeeze Record	Depth
	Specify Footage of Each Interval Perforated	(Amount and Kind of Material Used)	

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
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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)
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Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
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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) _____

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SAMPLE TOPS

Viola	3740	(-1829)
Simpson Sh.	3791	(-1880)
Arbuckle	3850	(-1939)
RTD	3980	(-2069)

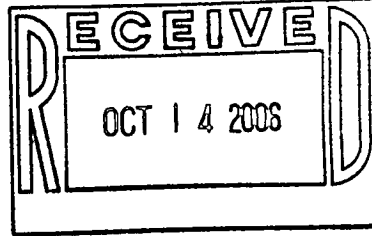
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Allied Cementing Co., Inc
P.O. Box 31
Russell, KS 67665

* I N V O I C E *

Invoice Number: 104841

Invoice Date: 10/11/06



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

Cust I.D.....: Palo
P.O. Number...: Rusco Golden Belt #1
P.O. Date.....: 10/11/06

Due Date.: 11/10/06
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	340.00	SKS	10.6500	3621.00	T
Gel	7.00	SKS	16.6500	116.55	T
Chloride	10.00	SKS	46.6000	466.00	T
Handling	451.00	SKS	1.9000	856.90	E
Mileage	18.00	MILE	40.5900	730.62	E
451 sks @.09 per sk per mi					
Surface	1.00	JOB	815.0000	815.00	E
Extra Footage	18.00	PER	0.6500	11.70	E
Mileage pmp trk	18.00	MILE	6.0000	108.00	E
Wooden 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 678.58
ONLY if paid within 30 days from Invoice Date

Subtotal: 6785.77
Tax.....: 268.61
Payments: 0.00
Total....: 7054.38

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ALLIED CEMENTING CO., INC.

26692

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

SERVICE POINT:

Ht Bond

DATE <u>10-6-06</u>	SEC <u>21</u>	TWP <u>22</u>	RANGE <u>13</u>	CALLED OUT <u>3:00AM</u>	ON LOCATION <u>5:00AM</u>	JOB START <u>5:30AM</u>	JOB FINISH <u>8:15AM</u>
LEASE <u>Russell</u>		WELL # <u>1</u>	LOCATION <u>281+K-19 3s, 1w, 1/4w, E/S</u>	COUNTY <u>Stafford</u>		STATE <u>Ks</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Fossil Aug

TYPE OF JOB Surface

HOLE SIZE 12 1/4" T.D. 318'

CASING SIZE 8 5/8" DEPTH 318'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. 15'

PERFS. _____

DISPLACEMENT 19 1/4 bbls

OWNER Same

CEMENT

AMOUNT ORDERED 280 lbs Common

320cc 2 1/2 Mel

150 lbs Common 32cc 2 1/2 Mel - used 60 lbs

COMMON	<u>340 lb</u>	@	<u>10.65</u>	<u>362.00</u>
POZMIX		@		
GEL	<u>7 gal</u>	@	<u>16.65</u>	<u>116.55</u>
CHLORIDE	<u>10 lb</u>	@	<u>46.60</u>	<u>466.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>451 lb</u>	@	<u>1.90</u>	<u>856.90</u>
MILEAGE	<u>451 mi</u>	@	<u>1.62</u>	<u>730.62</u>
TOTAL				<u>5791.07</u>

EQUIPMENT

PUMP TRUCK CEMENTER Tom D

181 HELPER Rich H

BULK TRUCK

344 DRIVER Don D

BULK TRUCK

_____ DRIVER _____

REMARKS:

Ran 318' of 8 5/8 cas. Buade circ -
mixed 280 common 32cc 2 1/2 Mel
Released Plug - Displaced with fresh
H₂O.
Cement did not circulate
Ran 20' of 1" Mixed 60 lbs common
32cc 2 1/2 Mel & circulated cement
to surface

SERVICE

DEPTH OF JOB	<u>318'</u>			
PUMP TRUCK CHARGE				<u>815.00</u>
EXTRA FOOTAGE	<u>18</u>	@	<u>.65</u>	<u>11.70</u>
MILEAGE	<u>18</u>	@	<u>6.00</u>	<u>108.00</u>
MANIFOLD		@		
		@		
		@		
TOTAL				<u>934.70</u>

PLUG & FLOAT EQUIPMENT

<u>1- 8 5/8 wooden plug</u>	@	<u>60.00</u>	<u>60.00</u>
	@		
	@		
	@		
	@		
TOTAL			<u>60.00</u>

CHARGE TO: Palomino Patchburn

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]

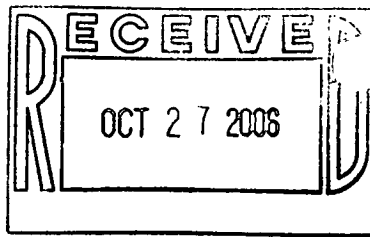
TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

PRINTED NAME _____

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



* I N V O I C E *

Invoice Number: 105042

Invoice Date: 10/23/06

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

Cust I.D.....: Palo
P.O. Number...: Rusco/Golden *Belt #1*
P.O. Date.....: 10/23/06

Due Date.: 11/22/06
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	10.00	SKS	16.6500	166.50	T
Handling	195.00	SKS	1.9000	370.50	T
Mileage	18.00	MILE	17.5500	315.90	T
195 sks @.09 per sk per mi					
Plug	1.00	JOB	955.0000	955.00	T
Mileage pmp trk	18.00	MILE	6.0000	108.00	T

All Prices Are Net, Payable 30 Days Following	Subtotal:	3527.25
Date of Invoice. 1 1/2% Charged Thereafter.	Tax.....:	222.21
If Account CURRENT take Discount of <u>352.72</u>	Payments:	0.00
ONLY if paid within 30 days from Invoice Date	Total....:	3749.46

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ALLIED CEMENTING CO., INC.

23759

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

SERVICE POINT:

Great Bend

DATE <u>10.14.06</u>	SEC. <u>21</u>	TWP. <u>22</u>	RANGE <u>13</u>	CALLED OUT <u>12:00 AM</u>	ON LOCATION <u>2:45 AM</u>	JOB START <u>3:30 AM</u>	JOB FINISH <u>8:15 AM</u>
LEASE <u>Rusco - Holden Belt</u>		WELL # <u>1</u>	LOCATION <u>K-19 + 281 HWY 3 south</u>		COUNTY <u>Stafford</u>	STATE <u>Ka</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)			<u>1 west</u>				

CONTRACTOR Fossil Drilling

TYPE OF JOB Arbucka Plug

HOLE SIZE 7 7/8 TD. 3980'

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 XH DEPTH 3862'

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER Palomino Petroleum Inc.

CEMENT AMOUNT ORDERED 185 ax 60% 6% gel

COMMON	<u>11104</u>	@	<u>10.65</u>	<u>1182.15</u>
POZMIX	<u>7424</u>	@	<u>5.80</u>	<u>429.20</u>
GEL	<u>1024</u>	@	<u>16.65</u>	<u>166.50</u>
CHLORIDE		@		
ASC		@		
HANDLING	<u>195 ax</u>	@	<u>1.90</u>	<u>370.50</u>
MILEAGE	<u>195 ax 09</u>	@	<u>1.50</u>	<u>292.50</u>

EQUIPMENT

UB

PUMP TRUCK CEMENTER D. Drilling

120 HELPER Brandon Reath

BULK TRUCK DRIVER Don Dugan

_____ DRIVER _____

REMARKS:

- 1st 3862' - 50% disp. w mud.
- 2nd 780' - 50%
- 3rd 349' - 50%
- 4th 60' - 20%
15% in rathole.

SERVICE

DEPTH OF JOB	<u>3862'</u>		
PUMP TRUCK CHARGE			<u>955.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>18</u>	@	<u>6.00</u> <u>108.00</u>
MANIFOLD		@	

CHARGE TO: Palomino Petroleum Inc.

STREET 4924 SE 84th St.

CITY Newton STATE Kansas ZIP 67114-8827

TOTAL 1063.00

PLUG & FLOAT EQUIPMENT

	@		
	@		
	@		
	@		
	@		

TOTAL _____

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

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]

X Larry Hunt
PRINTED NAME
Thank you!

RECEIVED
NOV 15 2006

KCC WICHITA