

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, KS 67114-8827
Purchaser: NCRA
Operator Contact Person: Klee R. Watchous
Phone: (316) 799-1000
Contractor: Name: A & A Production
License: 30076
Wellsite Geologist: James W. Thompson

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: Thunderbird Drilling, Inc.
Well Name: #1 Walters "A"

Original Comp. Date: 10/5/73 Original Total Depth: 4665
 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. _____
3/27/01 3/28/01 4/19/01
Date of REENTRY Date Reached TD Completion Date or Recompletion Date

API No. 15 - 135-20800-0001
County: Ness
SE Sec. 15 Twp. 18 S. R. 26 East West
1980 feet from (S) N (circle one) Line of Section
1980 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (SE) NW SW
Lease Name: Walter "OWWO" Well #: 1
Field Name: None (Wildcat)
Producing Formation: Mississippi
Elevation: Ground: 2597 Kelly Bushing: _____
Total Depth: 4694 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 330 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set 1926 Feet
If Alternate II completion, cement circulated from 1926
feet depth to surface w/ 200 sx cmf.

Drilling Fluid Management Plan ALT 2 JH 11/13/02
(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: June 23, 2001
Subscribed and sworn to before me this 23rd day of June

NOTARY PUBLIC - State of Kansas
Notary Public: Carla R. Penwell
My Appt. Expires 10-16-01
Date Commission Expires: 10-6-01

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

X

Operator Name: Palomino Petroleum, Inc. Lease Name: Walter Well #: 1
 Sec. 15 Twp. 18 S. R. 26 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 (None)

Cores Taken Yes No

Electric Log Run Yes No
 (Submit Copy)

List All E. Logs Run: **NONE**

Log Formation (Top), Depth and Datum Sample
 Name Top Datum

CASING RECORD <input type="checkbox"/> New <input checked="" 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	# Sacs Used	Type and Percent Additives
Production		5 1/2"	14#	4664	Swift Multi-Density?	150	1/2% CFR1

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
4	4558-4561	250 gal. FE acid; Surf. 3-1 gal. Inhib. 1-1/2 gal. Str-1-1 gal.	4558-4561

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2 7/8"		None	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
5/8/01		<input checked="" type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbbs.	Gas Mcf	Water Bbbs.	Gas-Oil Ratio	Gravity
	4	N/A	317		

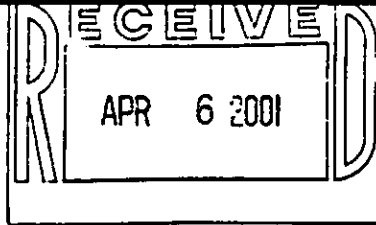
Disposition of Gas **METHOD OF COMPLETION** Production Interval **4558' - 4561'**

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled
 (If vented, Sumit ACO-1...) Other (Specify)

SWIFT SERVICES, II

PO BOX 466

NESS CITY, 67560-0466



15-135-20800-00-01

Invoice

DATE	INVOICE #
3/29/01	3243

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

ORIGINAL

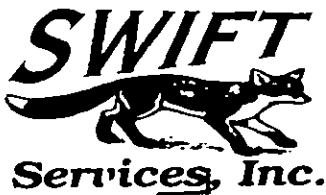
TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Operator	Job Purpose
Net 30	# 1	Walters A	Ness		Oil	Washdown	Lenny	Long String

PRICE REFERENCE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
575D	Milage	20	2.50	50.00
578D	Pump Charge	1	1,200.00	1,200.00
281	Mud Flush	500	0.50	250.00T
221	Liquid KCL	2	19.00	38.00
400-5	5 1/2" Guide Shoe	1	80.00	80.00T
401-5	5 1/2" Insert Float with Auto Fill	1	110.00	110.00T
402-5	5 1/2" Centralizers	5	40.00	200.00T
403-5	5 1/2" Cement Basket	2	110.00	220.00T
410-5	Top Plug	1	50.00	50.00T
404-5	5 1/2" Port Collar	1	1,500.00	1,500.00T
330	Swift Multi-Density	150	9.50	1,425.00T
285	CFR-2	71	2.75	195.25T
276	Flocele	38	0.90	34.20T
290	D-Air	35	2.75	96.25T
581D	Service Charge Cement	150	1.00	150.00
583D	Drayage	150.84	0.75	113.13
	Subtotal			5,711.83
	Sales Tax		4.90%	203.87

Thank you for your business.

Total

\$5,915.70



CHARGE TO: *Palomino Petroleum*

ADDRESS

CITY, STATE, ZIP CODE

TICKET
No 3243

PAGE 1 OF 2

1. SERVICE LOCATIONS: *1000 City*

2. WELL/PROJECT NO.: *1* LEASE: *Walters A* COUNTY/PARISH: *Pass* STATE: *KS* CITY: DATE: *3-29-01* OWNER: *Sone*

3. TICKET TYPE: SERVICE SALES CONTRACTOR: RIG NAME/NO.: *Anderson* SHIPPED VIA: *105* DELIVERED TO: *W. Resoldy* ORDER NO.:

4. WELL TYPE: *oil* WELL CATEGORY: *washdown* JOB PURPOSE: *L/S* WELL PERMIT NO.: WELL LOCATION:

REFERRAL LOCATION: INVOICE INSTRUCTIONS:

ORIGINAL

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
<i>575</i>					MILEAGE	<i>20</i>	<i>mi</i>			<i>2.50</i>	<i>50.00</i>
<i>578</i>					Pump charge	<i>1</i>	<i>EA</i>	<i>4662</i>	<i>FT</i>		<i>1200.00</i>
<i>281</i>					mudflush	<i>500</i>	<i>gal</i>				<i>250.00</i>
<i>221</i>					Clafix	<i>2</i>	<i>gal</i>				<i>38.00</i>
<i>400</i>					Guideshoe	<i>1</i>	<i>EA</i>	<i>5 1/2</i>	<i>IN</i>		<i>80.00</i>
<i>401</i>					insert w/ auto fill	<i>1</i>	<i>EA</i>				<i>110.00</i>
<i>402</i>					Centralizer	<i>5</i>	<i>EA</i>				<i>200.00</i>
<i>403</i>					Conent Baskets	<i>2</i>	<i>EA</i>				<i>220.00</i>
<i>410</i>					Top Plug	<i>1</i>	<i>EA</i>				<i>50.00</i>
<i>404</i>					Port collar	<i>1</i>	<i>EA</i>				<i>1500.00</i>
					<i>from continuation sheet</i>						<i>2013.83</i>

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

DATE SIGNED: *3-29-01* TIME SIGNED: *0100* 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	PAGE TOTAL
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				<i>5711.83</i>
WE UNDERSTOOD AND MET YOUR NEEDS?				
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX <i>203.81</i>
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL <i>5915.70</i>
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				

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

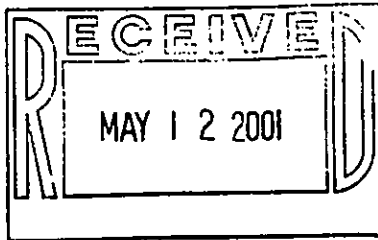
SWIFT OPERATOR: *Jerry* APPROVAL: *Rich Schreder*

Thank You!

SWIFT SERVICES, II

PO BOX 466

NESS CITY, 67560-0466



15-135-20800-00-01

Invoice

DATE	INVOICE #
4/19/01	3285

ORIGINAL

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

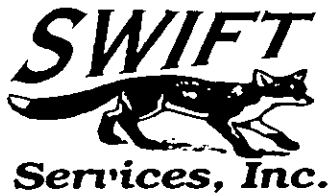
TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Operator	Job Purpose
Net 30	# 1 OW...	Walters	Ness	D S & W	Oil	Development	Wayne	Cement port c...

PRICE REFERE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
575D	Milage	15	2.50	37.50
578D	Pump Service	1	700.00	700.00
288	Sand (20/40 Brady)	1	10.00	10.00T
330	Swift Multi-Density	200	9.50	1,900.00T
276	Flocele	25	0.90	22.50T
581D	Service Charge Cement	200	1.00	200.00
583D	Drayage	149.59	0.75	112.19
	Subtotal			2,982.19
	Sales Tax		4.90%	94.69

Thank you for your business.

Total

\$3,076.88



CHARGE TO:
PALOMBO PETROLEUM
 ADDRESS
 CITY, STATE, ZIP CODE

15-135-20800-00-01

TICKET

No 3205

PAGE 1 OF 1

ORIGINAL

1. SERVICE LOCATIONS NESS CITY, KS	WELL/PROJECT NO. OWJO	LEASE WALTERS	COUNTY/PARISH NESS	STATE KS	CITY	DATE 4-19-01	OWNER SAME
2. TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR D.S. - W WELL SERVICE		RIG NAME/NO.	SHIPPED VIA CT	DELIVERED TO LOCATIONS	ORDER NO.	
3. WELL TYPE 02	WELL CATEGORY DEVELOPMENT	JOB PURPOSE CEMENT PORT COLLAR		WELL PERMIT NO.	WELL LOCATION NESS CITY, KS - 13W, 2W, 1/2W, NS.		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
.75		1			MILEAGE	15		ME		2.50	37.50
578		1			PUMP SERVICE	1	1922	FT		700.00 1200.00	700.00 1200.00
288		1			20/40 SAND	1		SHL		10.00	10.00
330		1			SWIFT MULTI-DENSITY STANDARD	200		SHL		9.50	1900.00
276		1			FLOCELL	25		LBS		90	22.50
581		1			SURFACE CHARGE CEMENT	200		SHL		1.00	200.00
583		1			DRYAGE	149.59	19945	FT	LBS	.75	112.19

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

X
 DATE SIGNED **4-19-01** TIME SIGNED **1600**
 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	PAGE TOTAL	2982.19
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?					2482.19
WE UNDERSTOOD AND MET YOUR NEEDS?					
OUR SERVICE WAS PERFORMED WITHOUT DELAY?					
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX	94.69
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	3076.88
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					

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

SWIFT OPERATOR
Wayne Wilson

APPROVAL
Rich Shick

Thank You!

JOB LOG

15-135-20800-001 SWIFT Services, Inc.

DATE 4-19-01 PAGE NO.

CUSTOMER PALOMAR PETROLEUM WELL NO. OWLW0 LEASE WACTERS JOB TYPE CMT PORT COLLAR TICKET NO. 3285

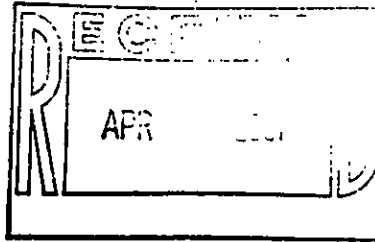
CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1300							ON LOCATION ORIGINAL 2 7/8 x 5 1/2 PORT COLLAR @ 1922' RBP @ 3750
	1340	4	43	✓		1000		LOAD HOLE - TEST RBP
	1400		9	✓				SPOT 1 SK SAND
	1415	3	8	✓		200		OPEN PORT COLLAR - 2RT RATE
	1425	4	0	✓		250		START MIXING CEMENT
	1450		110			300		CALCULATE CEMENT - SHUT DOWN - 25 SKS TO PCT
			10					DISPENSE CEMENT
	1455							CLOSE PORT COLLAR - HOLDING 300 PSI
	1455			✓		1000		PSI UP - HELD
	1515	3	25		✓		400	RW 5 JTS - REVERSE CLEAN
								RW TUBING DOWN TO REVERSE SAND OFF RBP
	1645	3	30		✓		400	CALCULATE SAND OFF PLUG
								RELEASE PLUG & PULL OUT OF WELL
	1730							JOB COMPLETE
								THANK YOU WAYNE BUSY SMX

15-135-20800-00-01

SWIFT SERVICES, INC.

PO BOX 466

NESS CITY, 67560-0466



Invoice

DATE	INVOICE #
4/16/01	3332

ORIGINAL

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

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Operator	Job Purpose
Net 30	1	Walter "A"	Ness		Oil	Development	Lenny	Acidize perms ...

PRICE REFERE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
502	Delivery Charge	4	45.00	180.00
301 - 15%	FE Acid	250	1.00	250.00
230	Surf-3	1	25.00	25.00
235	INH. 1	0.5	36.00	18.00
249	STR-1	1	29.00	29.00
	Subtotal			502.00
	Sales Tax		4.90%	0.00

Thank you for your business.

Total

\$502.00



CHARGE TO: *Palomine Pet.*
 ADDRESS:
 CITY, STATE, ZIP CODE:

15-135-20800-00-01

TICKET

HE 3332

PAGE 1 OF 1

SERVICE LOCATIONS 1. <i>Ness City</i>	WELL/PROJECT NO. 1	LEASE <i>Walters A</i>	COUNTY/PARISH <i>Ness</i>	STATE <i>Ks</i>	CITY	DATE <i>4-16-01</i>	OWNER <i>Same</i>
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR	RIG NAME/NO. <i>D S W</i>	SHIPPED VIA	DELIVERED TO <i>N. Beeler</i>	ORDER NO.	
3.	WELL TYPE <i>oil</i>	WELL CATEGORY <i>Development</i>	JOB PURPOSE <i>Acidizing Paps (Oump)</i>	WELL PERMIT NO.	WELL LOCATION		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

ORIGINAL

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	OF		QTY.	U/M	QTY.	U/M	
					MILEAGE					
502					<i>Delivery Charge</i>		<i>4 HRS</i>		<i>45.00</i>	<i>180.00</i>
301					<i>FE Acid</i>		<i>250 gal</i>			<i>250.00</i>
230					<i>Sup-3</i>		<i>1 gal</i>			<i>25.00</i>
235					<i>Inh-1</i>		<i>1/2 gal</i>			<i>18.00</i>
249					<i>STR-1</i>		<i>1 gal</i>			<i>29.00</i>

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

X
 DATE SIGNED *4-16-01* TIME SIGNED *1:30*
 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	PAGE TOTAL	<i>502.00</i>
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?				TAX	
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	<i>502.00</i>
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					

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

SWIFT OPERATOR *Jenny*

APPROVA *Dick Schreiber*

Thank You!