

15.135.24125.0000

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 30742
 Name: Palomino Petroleum, Inc.
 Address: 4924 SE 84th St. 100
 City/State/Zip: Newton, KS 67114-8827
 Purchaser: NCRA
 Operator Contact Person: Klee R. Watchous
 Phone: (316) 799-1000
 Contractor: Name: Pickrell Drilling Company, Inc.
 License: 5123
 Wellsite Geologist: James W. Thompson
 Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW 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. _____
1/3/01 1/11/01 1/11/01
 Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 135-24125
 County: Ness
 E of S/2N/2 SW Sec. 11 Twp. 20 S. R. 21 East West
1650 feet from S / N (circle one) Line of Section
1420 feet from E / W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: Shank Well #: 3
 Field Name: Betz East
 Producing Formation: Miss.
 Elevation: Ground: 2227 Kelly Bushing: 2232
 Total Depth: 4400 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 1415 Feet
 If Alternate II completion, cement circulated from 1415
 feet depth to surface w/ 170 sx cmt.
 Drilling Fluid Management Plan Act 11 11/7/01 AS
 (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.: _____

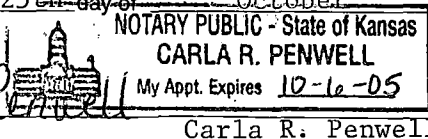
INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side 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: 10-25-01
 Subscribed and sworn to before me this 25th day of October
 Notary Public: Carla R. Penwell My Appt. Expires 10-16-05
 Date Commission Expires: 10-6-05

RECEIVED
 OCT 26 2001
 KCC WICHITA

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



X

Operator Name: Palomino Petroleum, Inc. Lease Name: Shank Well #: 3
 Sec. 11 Twp. 20 S. R. 21 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 <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: Radiation Guard Log	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Log</td> <td>Formation (Top), Depth and Datum</td> <td><input type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Anhy.</td> <td>1436</td> <td>(+ 796) to 1464</td> </tr> <tr> <td>Topeka</td> <td>3393</td> <td>(-1161)</td> </tr> <tr> <td>Heeb.</td> <td>3762</td> <td>(-1530)</td> </tr> <tr> <td>LKC</td> <td>3807</td> <td>(-1575)</td> </tr> <tr> <td>Ft. Scott</td> <td>4305</td> <td>(-2073)</td> </tr> <tr> <td>Miss. Osage</td> <td>4394</td> <td>(-2162)</td> </tr> <tr> <td>LTD</td> <td>4400</td> <td>(-2168)</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Anhy.	1436	(+ 796) to 1464	Topeka	3393	(-1161)	Heeb.	3762	(-1530)	LKC	3807	(-1575)	Ft. Scott	4305	(-2073)	Miss. Osage	4394	(-2162)	LTD	4400	(-2168)
<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample																										
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Ft. Scott	4305	(-2073)																										
Miss. Osage	4394	(-2162)																										
LTD	4400	(-2168)																										

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	# Sacjs Used	Type and Percent Additives
Surface	12 1/2"	8 5/8"	20#	219'	60-40 Pozmix	170	2% gel 3% c.c.
Production		5 1/2"	14#	4397'	60-40 Pozmix	150	2% gel 3% c.c. with FC/sack

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		Pozmix	150	60-40 pozmix 2% gel

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	
		Amount	Depth
		250 gal. Mud Acid (15%)	Open hole to 4400
2	4398-4408	500 gal. DSFE Acid	4408
		500 gal. 20% NE FE	4421

TUBING RECORD	Size <u>2 3/8"</u>	Set At <u>4380</u>	Packer/At <u>1005 2 3/8 4380</u>	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumerd Production, SWD or Enhr. <u>None</u>	Producing Method: <u>None</u> <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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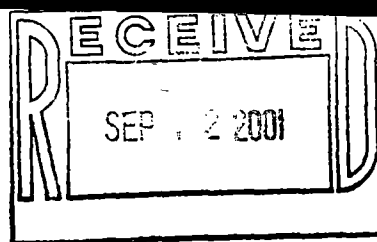
Disposition of Gas **METHOD OF COMPLETION**

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

SWIFT SERVICES, INC.

PO BOX 466

NESS CITY, 67560-0466

**ORIGINAL Invoice**

DATE	INVOICE #
8/21/01	3880

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	3	Shank	Ness	DS&W	Oil	Workover	Roger	Cement throu...	
PRICE REFERE...	DESCRIPTION				QTY	UNIT PRICE	AMOUNT		
575W	Milage				25	2.50	62.50T		
578W	Pump Service				1	1,200.00	1,200.00T		
581W	Service Charge Cement				225	1.00	225.00T		
583W	Drayage				279	0.75	209.25T		
330	Swift Multi-Density				180	9.50	1,710.00T		
276	Flocele				56	0.90	50.40T		
290	D-Air				56	2.75	154.00T		
578W	Pump Service 8-22-01				1	1,200.00	1,200.00T		
	Subtotal						4,811.15		
	Sales Tax					4.90%	235.75		
RECEIVED 1 OCT 26 2001 KCC WICHITA									
Thank you for your business.						Total	\$5,046.90		



CHARGE TO: *Palomina Ref.*
 ADDRESS:
 CITY, STATE, ZIP CODE:

TICKET No 3880

PAGE 1 OF 1

SERVICE LOCATIONS: 1. *Ness City, Mo.*
 WELL/PROJECT NO. *#3* LEASE *Shank* COUNTY/PARISH *Ness* STATE *Mo* CITY DATE *8/21/01* OWNER *SGuro*
 2. TICKET TYPE SERVICE SALES CONTRACTOR *DS&W* RIG NAME/NO. SHIPPED VIA *CLT* DELIVERED TO *Location* ORDER NO.
 3. WELL TYPE *Oil* WELL CATEGORY *Workover* JOB PURPOSE *Com. Thru Port Collar* WELL PERMIT NO. WELL LOCATION
 4. REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.	U/M	QTY.	U/M	UNIT PRICE	AMOUNT	
		LOC	ACCT	DF								
575		1			MILEAGE #104	75	mi			2.50	62	50
577		1			Pump Service RECEIVED	1	eq			1,200.00	1,200	00
581		1			Service Charge OCT 26 2001	225	sls			1.00	225	00
583		1			Drayage KCC WICHITA	279	ton miles			.75	209	25
330		1			SMD	180	sls			9.50	1,710	00
276		1			Floccle	56	#			1.90	50	00
290		1			D-AIR	56	#			2.75	154	00
578		1			Pump Service 8/22/01	1	eq			1,200.00	1,200	00

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 *Rick L. Shank*
 DATE SIGNED TIME SIGNED 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	TAX	TOTAL
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				4,811		15
WE UNDERSTOOD AND MET YOUR NEEDS?						
OUR SERVICE WAS PERFORMED WITHOUT DELAY?						
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?					235	75
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO						
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND						
						5046
						90

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

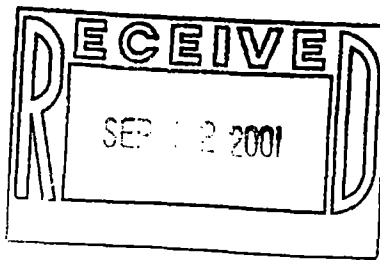
SWIFT OPERATOR *Roger D. Lytle* APPROVAL

Thank You!

SWIFT SERVICES, INC.

PO BOX 466

NESS CITY, 67560-0466



ORIGINAL Invoice

DATE	INVOICE #
8/21/01	3879

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	3	Shank	Ness	DS&W	Oil	Workover	Roger	Cement throu...

PRICE REFERENCE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
100	Milage - Tool Man	25	1.00	25.00T
105	Port Collar Tool Rental with man	1	400.00	400.00T
102	Retrievable Bridge Plug	1	700.00	700.00T
107	Stripper Head	1	130.00	130.00T
288	Sand (20/40 Brady)	1	10.00	10.00T
	Subtotal			1,265.00
	Sales Tax		4.90%	61.99

RECEIVED
OCT 26 2001
KCC WICHITA

Thank you for your business.	Total	\$1,326.99
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CHARGE TO: *Palomac Petroleum*
 ADDRESS:
 CITY, STATE, ZIP CODE:

TICKET No 3879

PAGE 1 OF 1

1. SERVICE LOCATIONS: *Ness City, KS*
 WELL/PROJECT NO.: *#3*
 LEASE: *Shank*
 COUNTY/PARISH: *Ness*
 STATE: *Ks*
 CITY:
 DATE: *8/21/01*
 OWNER: *Same*

2. TICKET TYPE: SERVICE SALES
 CONTRACTOR: *DS+W*
 RIG NAME/NO.:
 SHIPPED VIA: *City*
 DELIVERED TO: *Location*
 ORDER NO.:

3. WELL TYPE: *Oil*
 WELL CATEGORY: *Workover*
 JOB PURPOSE: *Cement Then Port Collar*
 WELL PERMIT NO.:
 WELL LOCATION:

4. REFERRAL LOCATION:
 INVOICE INSTRUCTIONS:

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF								
100		1			MILEAGE #02	25	mi			1.00	25	00
105		1			Port Collar Opening Tool	1	ea			400.00	400	00
102		1			Plug	1	ea			700.00	700	00
107		1			Striped head	1	ea			130.00	130	00
288		1			Sand	1	sk			10.00	10	00
RECEIVED OCT 26 2001 KCC WICHITA												

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

[Signature]
 DATE SIGNED: TIME SIGNED: 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	AMOUNT
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				1265	00
WE UNDERSTOOD AND MET YOUR NEEDS?					
OUR SERVICE WAS PERFORMED WITHOUT DELAY?					
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?					
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO					
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL	1326.99

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

SWIFT OPERATOR: *[Signature]*

APPROVAL: *[Signature]* Thank You!

JOB LOG

SWIFT Services, Inc. ORIGINAL

DATE 8/21/01 PAGE NO. 17

CUSTOMER *Palmaria Pty.* WELL NO. **3* LEASE *Shank* JOB TYPE *Tool - Cont. Port Collar* TICKET NO. *3879*

CHART NO.	TIME	RATE (BPM)	VOLUME (BBD) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	10:30							Start in hole with Plug & Port Collar opening tool
	12:20		22			1,000	1,000	set Plug @ 3613' Load Hole test to 1,000 psi Held spot 1 sk sand
	12:40							Red up to find Port collar @ 1354'
	14:10							Open Port Collar pump @ 1/2 BPM 150 psi No Blow on Ann.
	14:25							Start mixing SMO Cont.
	14:35							80% mixed 4551 enough to fill to Condor hill plus 50% no Blow on Ann.
								Displ. to port collar close P.C. test to 1,000 psi held Run 3 Jts.
	14:50							Reverse out short way Hole clean wash and rack up thread pull opening tool out of hole Shut down for night
	10:00							on loc. found TOC @ 770' Perforate @ 720'
	10:30		20					Hook up to 5 1/2" Csg. pump @ 2 BPM 500 psi slight Blow on Broden head pump Down Broden head 2 BPM 500 psi Blow on 5 1/2" Csg. Hook Back to 5 1/2" Csg
	11:30		20					Start mixing SMO @ 1/4" Flocel 100% mixed Cont. to surface Displ. 1655' H ₂ O
	11:50							Shut in @ well head 600 psi wash & rack up thread Job Complete
	12:00							

Handwritten signature

SWIFT SERVICES, INC.

PO BOX 466

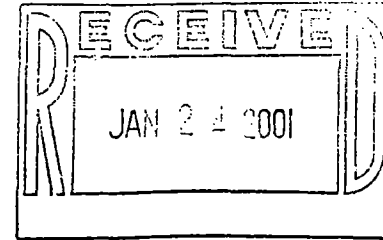
NESS CITY, 67560-0466

ORIGINAL

Invoice

DATE	INVOICE #
1/11/01	3212

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	# 3	Shank	Rush	Pickrell Drlg Co	Oil	Development	Ted	Long String

PRICE REFERE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
575D	Milage	30	2.50	75.00
578D	Pump Charge	1	1,200.00	1,200.00
221	Liquid KCL	2	19.00	38.00
410-5	Top Plug	1	50.00	50.00T
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 Masket	2	110.00	220.00T
404-5	5 1/2" Port Collar	1	1,500.00	1,500.00T
326	60/40 Pozmix (2% gel)	150	5.20	780.00T
278	Calcuim Chloride	3	25.00	75.00T
276	Flocele	38	0.90	34.20T
581D	Service Charge Cement	150	1.00	150.00
583D	Drayage	237.75	0.75	178.31
	Subtotal			4,690.51
	Sales Tax		4.90%	149.41

RECEIVED
OCT 26 2001
KCC WICHITA

Thank you for your business.	Total	\$4,839.92
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CHARGE TO: Palomino Petroleum
 ADDRESS:
 CITY, STATE, ZIP CODE: Newton, Ks

TICKET No 3212

PAGE 1 OF #2

SERVICE LOCATIONS: 1. Ness City, Ks
 WELL/PROJECT NO.: #13 LEASE: Shank COUNTY/PARISH: Rush STATE: Ks CITY: Ness City, Ks DATE: 1-11-2001 OWNER: Sam
 2. TICKET TYPE: SERVICE SALES CONTRACTOR: Pickrell Drilling Co. Inc RIG NAME/NO.: SHIPPED VIA: South/West of Alexandria ORDER NO.:
 3. WELL TYPE: oil WELL CATEGORY: Development JOB PURPOSE: Newwell Long String WELL PERMIT NO.: WELL LOCATION:
 4. REFERRAL LOCATION: INVOICE INSTRUCTIONS:

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE 104 RECEIVED	30	mi			2.50	75.00
578		1			Pump Charge	1	ea			1200.00	1200.00
221		1			Liquid KCL OCT 26 2001	2	agl			19.00	38.00
410		1			Top Plug KCC WICHITA	1	ea	5 1/2 in		50.00	50.00
400		1			guide shoe	1	ea	5 1/2 in		80.00	80.00
401		1			Insert Float w/ auto fill up	1	ea	5 1/2 in		110.00	110.00
402		1			Centralizers	5	ea	5 1/2 in		40.00	200.00
403		1			Cement Baskets	2	ea	5 1/2 in		110.00	220.00
404		1			Port Collar	1	ea	5 1/2 in		1500.00	1500.00
		1			From Continuation Page						1217.51

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 [Signature]
 DATE SIGNED: 1-11-01 TIME SIGNED: 12:00 noon 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?				4690.51
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				149.41
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL
				4839.92

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

SWIFT OPERATOR: [Signature] APPROVAL:

Thank You!



PO Box 466
Ness City, KS 67560
Off: 785-798-2300

TICKET CONTINUATION

TICKET No. 3212

CUSTOMER Palomino Petroleum WELL #3 Shank DATE 7-11-01 PAGE 2 OF 2

ORIGINAL

PRICE REFERENCE	SECONDARY REFERENCE / PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF			QTY	U/M	QTY	U/M		
326						60/40 pozmix w/2%gel	150	sk			5.20	780.00
278						Calcium Chloride	3	sk			25.00	75.00
276						Flocele	38	lbs			.90	34.20
581						Service Charge	150	sk			1.00	150.00
583						Drayage	237.75	ton miles			1.75	178.31
RECEIVED												
OCT 26 2001												
KCC WICHITA												
SERVICE CHARGE						CUBIC FEET						
MILEAGE CHARGE			TOTAL WEIGHT			LOADED MILES			TON MILES			

CONTINUATION TOTAL 1217.51

JOB LOG

SWIFT Services, Inc.

DATE 1-11-01 PAGE NO. 2

CUSTOMER Palomindo Petroleum WELL NO. # 3 LEASE Shank JOB TYPE Long String TICKET NO. 3212

ORIGINAL

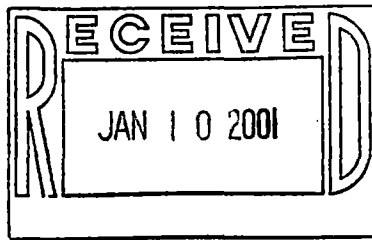
CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
#1	08:15							Called out
	12:00							On location / set up
	13:00							Start csg & float equipment
								guide shoe, inset float w/ fall up
								5 Centralizer 1, 4, 9, 13, 82
								2 Cent Bisset 2, 83
								1 Port Collar Top of 83 ft @ 1415 ft
	15:00							Csg on bottom - drop ball
	15:10							Hooked up
	15:15							Circulate
	15:35							Done circulating
	15:40	5	20					Pump 20 bbl KCL flush
								Mix 150 sks 60/20 pot mix
	15:44	5	34					Done mixing out
	15:51							Released plug & washed out lines
	15:53	6	0			000		Started displacement
		6	108			1000		Done w/ displacement
	16:15					1000		Landed plug @ 1000 PSI
	16:18					0		Release pressure float held
								Very slight bleed @ 1000 PSI
	16:25							Washed up trk
	16:30							Racked up
	16:45							Job completed
								Thank you
								Lee

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SWIFT SERVICES, INC.

PO BOX 466

NESS CITY, 67560-0466



ORIGINAL Invoice

DATE	INVOICE #
1/3/01	2938

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	3	Shank	Ness	Pickrell Drilling	Oil	Development	Wayne	8 5/8" Surface

PRICE REFERENCE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
575D	Milage	30	2.50	75.00
576D-S	Pump Charge - Surface	1	500.00	500.00
410-8	Top Plug	1	56.00	56.00T
326	60/40 Pozmix (2% gel)	170	5.20	884.00T
581D	Service Charge Cement	170	1.00	170.00
583D	Drayage	215.09	0.75	161.32
278	Calcuim Chloride	4	25.00	100.00T
	Subtotal			1,946.32
	Sales Tax		4.90%	50.96

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Thank you for your business.	Total	\$1,997.28
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CHARGE TO:
PALAMEJO PETROLEUM
 ADDRESS
 CITY, STATE, ZIP CODE

TICKET
 No 2938

PAGE 1 OF 1

1. SERVICE LOCATIONS: **NESS CITY, KS**

2. WELL/PROJECT NO.: **3** LEASE: **SHARK** COUNTY/PARISH: **NESS** STATE: **KS** CITY: DATE: **1-03-01** OWNER: **SAME**

3. TICKET TYPE: SERVICE SALES CONTRACTOR: **PIZZARELL DRILLING** RIG NAME/NO. SHIPPED VIA: **CT** DELIVERED TO: **LOCATION** ORDER NO.

4. WELL TYPE: **OIL** WELL CATEGORY: **DEVELOPMENT** JOB PURPOSE: **8 5/8" SURFACE** WELL PERMIT NO. WELL LOCATION: **ALEXANDER, KS - 7S, 4W, 2 1/2S, E.S.**

REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE # 104	30		ME		2.50	75.00
576		1			PUMP SERVICE	219		FT	1 JOB	500.00	500.00
410		1			WOOD PLUG - TOP	1		EA	8 5/8"	56.00	56.00
326		1			60/40 POZ 704 (2% GEL)	170		SKS		5.20	884.00
581		1			SERVICE CHARGE CEMENT	170		SKS		1.00	170.00
583		1			DRYAGE	215.09		TM		75	161.32
278		1			CALCIUM CHLORIDE	4		SKS		25.00	100.00
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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 *[Signature]*
 DATE SIGNED: **1-03-01** TIME SIGNED: 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	AMOUNT
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?					
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO			
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL	1946.32
				TAX	50.96
				TOTAL	1997.28

JOB LOG

SWIFT Services, Inc.

ORIGINAL

DATE 01-03-01 PAGE NO. 1

CUSTOMER PALMIZO PETROLEUM WELL NO. 3 LEASE SHANK JOB TYPE 8 5/8" SURFACE TICKET NO. 2938

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL)(GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0500							ON LOCATION
								TD - 224
								TP - 219
								8 5/8" #/FT 20
	1100							BREAK CIRCULATION
	1120	5	39.4		✓			MIX CEMLT
	1130		0		✓			DISPLACE PLUG
	1135		13.3					PLUG DOWN
								CIRCULATED 30 SKS CEMLT TO PT
								WASH UP
	1230							JOB COMPLETE

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THANK YOU
WAKK, JUSTY, SHANK

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JAMES W. THOMPSON
PETROLEUM GEOLOGIST
641 NORTH WOODLAWN #7
WICHITA, KANSAS 67208
316-686-5095

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PALOMINO PETROLEUM, INC.
#3 SHANK

100' E S/2 N/2 SW/4
11-20S-21W
NESS COUNTY, KANSAS

GEOLOGICAL REPORT

This well was drilled with rotary tools, Pickrell Drilling Co., Inc. of Wichita, Kansas, the contractor.

Spudded January 3, 2001. Set 219' of 8-5/8" surface casing and cemented with 170 sacks 60/40 pozmix; 2% gel; 3% cc. Plug down 11:30 AM January 3, 2001. Cement circulated.

Rotary completed January 11, 2001. Elevation 2232 RB.

<u>FORMATION</u>	<u>SAMPLE TOPS</u>	<u>ELOG TOPS</u>
Anhydrite	1436 +796	1434 +798
Topeka	3393 -1161	3392 -1160
Heebner Shale	3761 -1529	3762 -1530
Lansing-KC	3807 -1575	3807 -1575
Fort Scott	4305 -2073	4305 -2073
Mississippi Osage	4395 -2163	4396 -2164
Rotary Total Depth	4400 -2168	4400 -2168

Drill-Stem Test #1 was taken from 4282' to 4332'. This interval covered the Fort Scott Limestone which contained good shows of medium to dark free oil, stain and saturation. The tool was open 30"; Shut in 30"; Open 30"; Shut in 30". Had a weak blow throughout the first opening. On the second opening, had

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Page 2

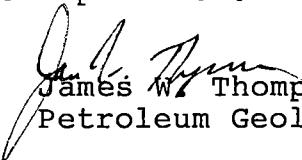
a very weak blow for 7 minutes. Recovered 5 feet of drilling mud with oil spots. Initial Bottom Hole Pressure 47#; Final Bottom Hole Pressure 35#. Initial Flowing Pressures 23#/23#; Final Flowing Pressures 23#/23#.

Because of the favorable sea level datum of the Osage Chert encountered in this test well, along with good porosity and the good shows of medium to dark free oil found in this chert section, it was recommended that production casing be cemented and the #3 Shank be completed as an oil producer.

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James W. Thompson
Petroleum Geologist

DRILL-STEM TEST DATA

Well Name	Shank	Test No.	1
Well Number	3	Zone Tested	Fort Scott
Company	Palomino Petroleum Inc	Date	1/10/01
Comp. Rep.	J Thompson	Tester	Don Fabricius
Contractor	Pickrell Drlg	Ticket No.	3389
Location	11-20-21	Elevation	

Recorder No. 3088 Clock Range 12 Recorder No. 4377 Clock Range 12
 Depth 4324 Depth 4328
 Initial Hydro Mud Press. 2152 Initial Hydro Mud Press. 2152
 Initial Shut-in Press. 47 Initial Shut-in Press. 47
 Initial Flow Press. 23-23 Initial Flow Press. 23-23
 Final Flow Press. 23-23 Final Flow Press. 23-23
 Final Shut-in Press. 35 Final Shut-in Press. 35
 Final Hydro Mud Press. 2152 Final Hydro Mud Press. 2152
 Temperature _____ Tool Open Before I. S. I. 30 Mins.
 Mud Weight 9.1 Viscosity 47 Initial Shut-in 30 Mins.
 Fluid Loss 8.8 Flow Period 30 Mins.
 Interval Tested 4282-4332 Final Shut-in 30 Mins.
 Top Packer Depth 4277 Surface Choke Size 1
 Bottom Packer Depth 4282 Bottom Choke Size 3/4
 Total Depth 4332 Main Hole Size 7 7/8
 Drill Pipe Size 4 1/2 X H Wt. 16.60 Rubber Size 6 3/4
 Drill Collar I. D. _____ Ft. Run _____
 Recovery—Total Feet _____
 Recovered 5 Feet Of Mud with spots of oil
 Recovered _____ Feet Of _____
 Recovered _____ Feet Of _____
 Recovered _____ Feet Of _____

Remarks

Weak blow on initial flow--very weak
blow dead in 2 min on final flow.

THIS ORDER MUST BE SIGNED BEFORE WORK IS COMMENCED. CONDITIONS: It is expressly understood and agreed that the above described work shall be done under the exclusive control, direction and supervision of the owner or contractor. As a part of the consideration for this agreement, it is expressly understood and agreed that Arrow Testing Company shall not be responsible for damages or losses of any kind whatsoever occasioned by or incident to the use of the above described Tools, whether run or operated by customer, or by anyone employed directly or indirectly by Arrow Testing Company, nor whether resulting from the acts or omissions of Arrow Testing Company, or any of its agents, servants or employees in any way connected with or related to the use of such Tools.

It is expressly understood and agreed that Arrow Testing Company, shall not be bound by any agreement, not herein contained, and no agent or representative connected with or employed by Arrow Testing Company has authority to alter or extend the terms of this agreement. I have read and understand the terms of this agreement and represent that I am authorized to sign the same as agent of customer.

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