

**QUALITY OILWELL CEMENTING, INC.**

PO Box 32 - 740 West Wichita Ave, Russell KS 67665  
 Phone: 785-324-1041 fax: 785-483-1087  
 Email: cementing@ruraltel.net

RECEIVED

OCT 22 2015

Date: 10/20/2015  
 Invoice # 1905 1852

P.O.#:

Due Date: 11/19/2015

Division: Russell

# Invoice

**Contact:**

Palomino Petroleum Inc  
**Address/Job Location:**  
 Palomino Petroleum Inc  
 4924 SE 84th  
 Newton Ks 67114

**Reference:**

H 3 1

**Description of Work:**

SURFACE JOB

Services / Items Included:	Quantity	Price	Taxable	Item	Quantity	Price	Taxable
Labor		\$ 606.13	No				
Common-Class A	120	\$ 1,652.19	Yes				
Calcium Chloride	6	\$ 276.99	Yes				
POZ Mix-Standard	30	\$ 174.18	Yes				
Bulk Truck Matl-Material Service Charge	159	\$ 131.88	No				
Pump Truck Mileage-Job to Nearest Camp	11	\$ 50.18	No				
Premium Gel (Bentonite)	3	\$ 40.51	Yes				
Bulk Truck Mileage-Job to Nearest Bulk Plant	11	\$ 31.93	No				

**Invoice Terms:**

Net 30

SubTotal: \$ 2,963.99

Discount Available ONLY if Invoice is Paid & Received within listed terms of invoice: \$ (74.10)

SubTotal for Taxable Items: \$ 2,090.27

SubTotal for Non-Taxable Items: \$ 799.62

Total: \$ 2,889.89

Tax: \$ 156.77

7.50% Ness County Sales Tax

**Amount Due: \$ 3,046.66**

**Applied Payments:**

**Balance Due: \$ 3,046.66**

**Thank You For Your Business!**

Past Due Invoices are subject to a service charge (annual rate of 24%)

This does not include any applicable taxes unless it is listed.

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# QUALITY OILWELL CEMENTING, INC.

Federal Tax I.D.# 20-2886107

Phone 785-483-2025  
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 1852

Date	10-20-15	Sec.	5	Twp.	19	Range	25	County	Ness	State	KS	On Location		Finish	1:30 PM
Lease								Well No.		Location					

Lease	H3	Well No.	#1	Owner	To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.
Contractor	WW			Charge To	Palomino Petroleum
Type Job	Surface			Street	
Hole Size	12 1/4	T.D.	216'	City	
Csg.	8 5/8	Depth	216'	State	
Tbg. Size		Depth		The above was done to satisfaction and supervision of owner agent or contractor.	
Tool		Depth		Cement Amount Ordered	150 can 3% cc 2% Gal
Cement Left in Csg.	20'	Shoe Joint			
Meas Line		Displace	13 bbl		

**EQUIPMENT**

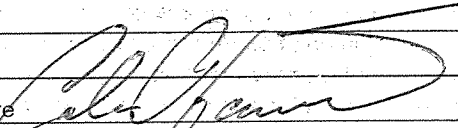
Pumptrk	18	No.	Cement	Common	120
			Helper	Poz. Mix	30
Bulktrk	15	No.	Driver	Gel.	3
			Driver	Calcium	6
Bulktrk	PU	No.	Driver	Hulls	
			Driver	Salt	

**JOB SERVICES & REMARKS**

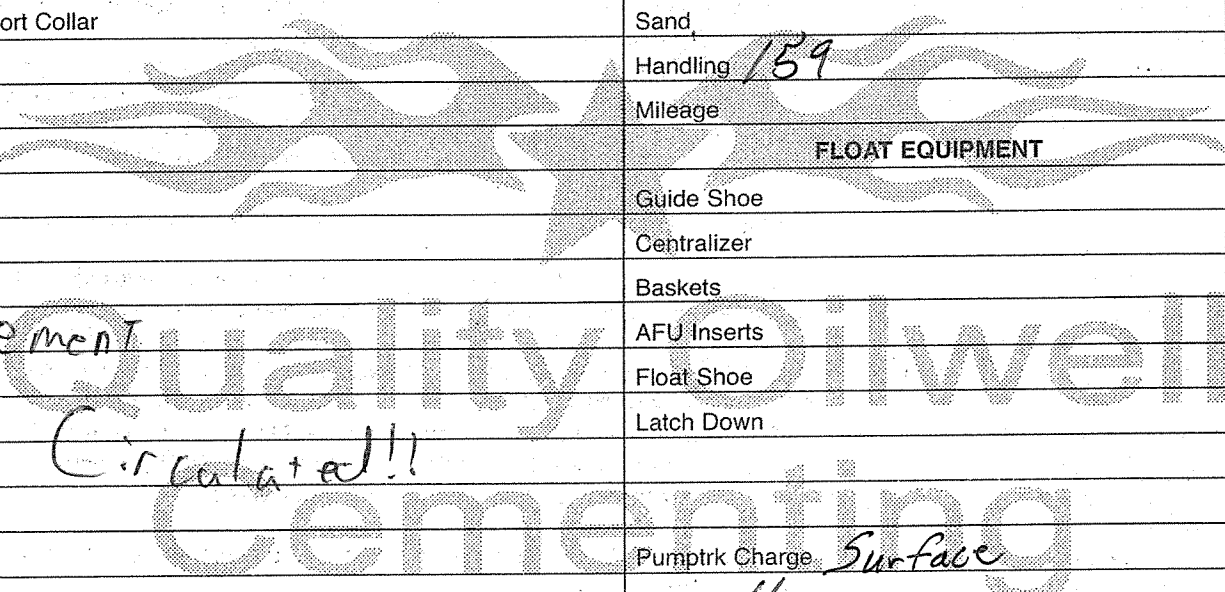
Remarks:	
Rat Hole	Flowseal
Mouse Hole	Kol-Seal
Centralizers	Mud CLR 48
Baskets	CFL-117 or CD110 CAF 38
D/V or Port Collar	Sand
	Handling 159
	Mileage

**FLOAT EQUIPMENT**

	Guide Shoe
	Centralizer
	Baskets
	AFU Inserts
	Float Shoe
	Latch Down
	Pumptrk Charge Surface
	Mileage 11

X Signature 

Tax  
Discount  
Total Charge



RECEIVED

OCT 30 2015

Date: 10/27/2015  
Invoice # 1647

P.O.#:

Due Date: 11/26/2015

Division: Russell



**QUALITY OILWELL CEMENTING, INC.**

PO Box 32 - 740 West Wichita Ave, Russell KS 67665  
Phone:785-324-1041 fax:785-483-1087  
Email: cementing@ruraltel.net

# Invoice

**Contact:**

Palomino Petroleum Inc

**Address/Job Location:**

Palomino Petroleum Inc  
4924 SE 84th  
Newton Ks 67114

**Reference:**

H 3 1

**Description of Work:**

PLUG JOB

Services / Items Included:	Quantity	Price	Taxable	Item	Quantity	Price	Taxable
Labor		\$ 606.13	Yes				
Common-Class A	138	\$ 1,900.02	Yes				
POZ Mix-Standard	92	\$ 534.14	Yes				
Bulk Truck Matl-Material Service Charge	238	\$ 197.40	Yes				
Premium Gel (Bentonite)	8	\$ 108.02	Yes				
Flo Seal	57	\$ 94.55	Yes				
Pump Truck Mileage-Job to Nearest Camp	11	\$ 50.18	Yes				
Bulk Truck Mileage-Job to Nearest Bulk Plant	11	\$ 31.93	Yes				

**Invoice Terms:**

Net 30

SubTotal: \$ 3,522.38

Discount Available ONLY if Invoice is Paid & Received within listed terms of invoice: \$ (88.06)

SubTotal for Taxable Items: \$ 3,434.32

SubTotal for Non-Taxable Items: \$ -

Total: \$ 3,434.32

Tax: \$ 257.57

7.50% Ness County Sales Tax

**Amount Due: \$ 3,691.89**

**Applied Payments:**

**Balance Due: \$ 3,691.89**

**Thank You For Your Business!**

Past Due Invoices are subject to a service charge (annual rate of 24%)  
This does not include any applicable taxes unless it is listed.  
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# QUALITY OILWELL CEMENTING, INC.

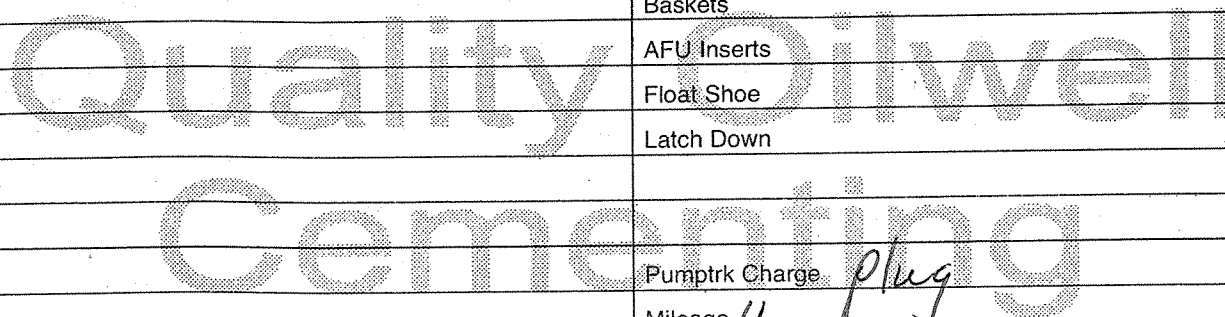
Federal Tax I.D.# 20-2886107

Phone 785-483-2025  
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 1647

Date	Sec.	Twp.	Range	County	State	On Location	Finish
10-27-15	5	19	25	Ness	Ks		11:00 am
Lease				Location		Finish	
H3				Ness City, Ks - 8W to Jrd, 1/2 S		11:00 am	
Contractor			Well No.	Owner			
WW 12			1	WIS Follow trail to Rig 4.9 miles			
Type Job			To Quality Oilwell Cementing, Inc.				
Plug			You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.				
Hole Size		T.D.	Charge To				
17 7/8"		4650'	Palamino Petroleum				
Csg.		Depth	Street				
Tbg. Size		Depth	City				
4 1/2" D.P.		1860'	State				
Tool		Depth	The above was done to satisfaction and supervision of owner agent or contractor.				
Cement Left in Csg.		Shoe Joint	Cement Amount Ordered				
			230 5x 60/40 4% Gel 1/4 # 1/2 x				
Meas Line		Displace	Common				
		1120/mud	138				
EQUIPMENT			Poz. Mix				
Pumptrk	No.	Cement Helper	92				
18		Travis					
Bulktrk	No.	Driver	Gel.				
9		Rick	8				
Bulktrk	No.	Driver	Calcium				
p.u.		Braig					
JOB SERVICES & REMARKS			Hulls				
Remarks:			Salt				
1860' - 50 5x			Flowseal				
Rat Hole			57#				
1020' - 80 5x			Kol-Seal				
Mouse Hole			Mud CLR 48'				
270' - 50 5x			CFL-117 or CD110 CAF 38				
Centralizers			Sand				
60' - 20 5x			Handling				
Baskets			Mileage				
Rathole - 30 5x							
D/V or Port Collar			FLOAT EQUIPMENT				
Cement did Circulate			Guide Shoe				
			Centralizer				
			Baskets				
			AFU Inserts				
			Float Shoe				
			Latch Down				
			Pumptrk Charge				
			11 plug				
			Mileage				
			Tax				
			Discount				
			Total Charge				
Signature							
[Signature]							



# DIAMOND TESTING

## General Information Report

### General Information

Company Name PALOMINO PETROLEUM, INC.  
Contact KLEE WATCHOUS  
Well Name H3 #1  
Unique Well ID DST #1, MISSISSIPPIAN, 4434-4523  
Surface Location SEC 5-19S-25W, NESS CO. KS.  
Field WILDCAT  
Well Type Vertical  
Test Type CONVENTIONAL  
Formation DST #1, MISSISSIPPIAN  
Well Fluid Type 01 Oil

Representative TIM VENTERS  
Well Operator PALOMINO PETROLEUM, INC.  
Report Date 2015/10/26  
Prepared By TIM VENTERS  
Qualified By AARON YOUNG

Start Test Date 2015/10/26  
Final Test Date 2015/10/26

Start Test Time 01:51:00  
Final Test Time 10:49:00

### Test Recovery:

#### RECOVERED: 175' GAS IN PIPE

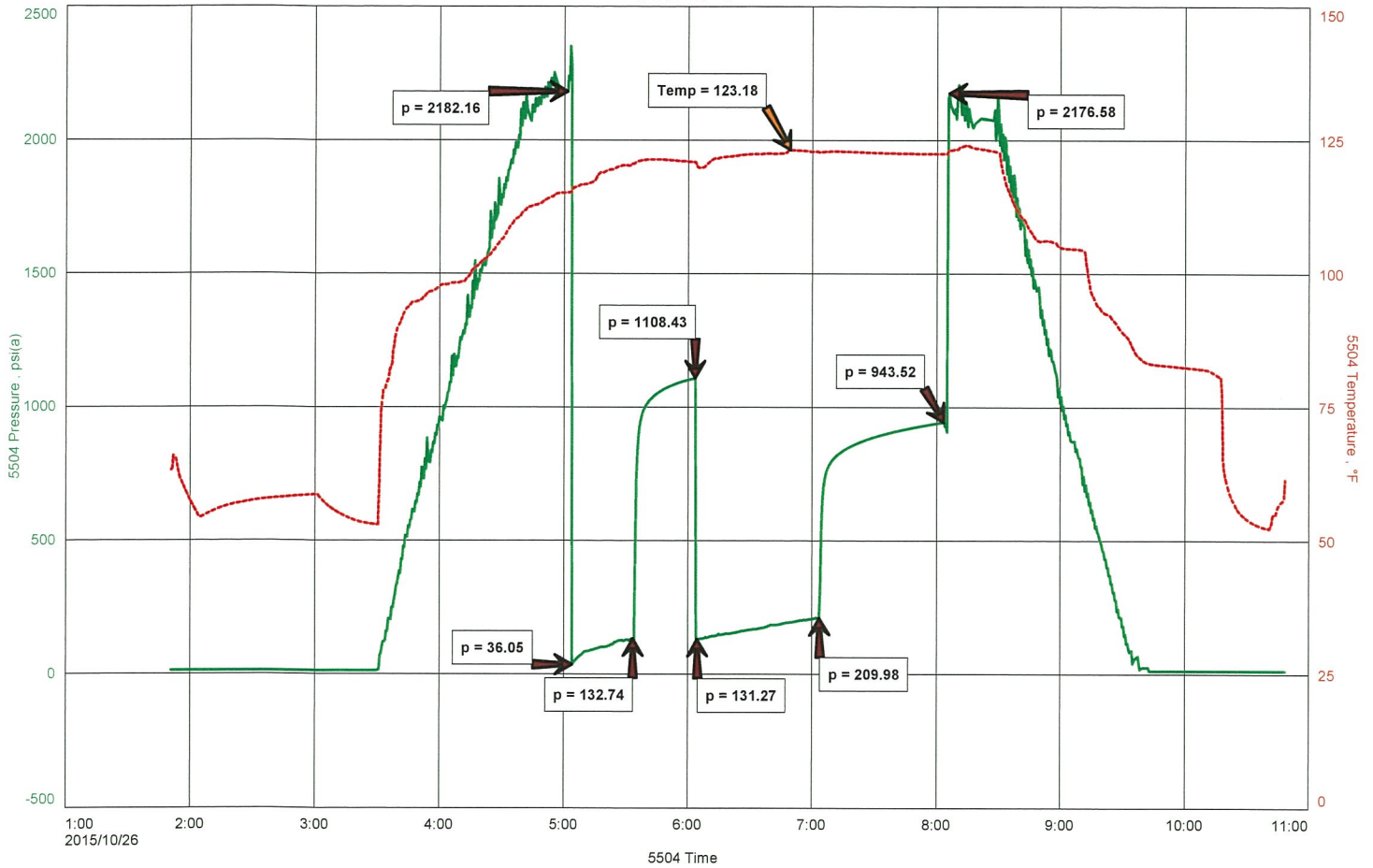
160' GO, 3% GAS, 97% OIL, GRAVITY: 38  
110' G, OCM, 5% GAS, 29% OIL, 66% MUD  
185' G, HMCO, 13% GAS, 52% OIL, 35% MUD  
455' TOTAL FLUID

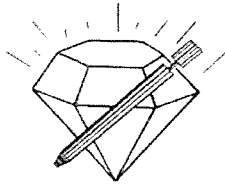
TOOL SAMPLE: 10% GAS, 35% OIL, 55% MUD

PALOMINO PETROLEUM, INC.  
DST #1, MISSISSIPPIAN, 4434-4523  
Start Test Date: 2015/10/26  
Final Test Date: 2015/10/26

H3 #1  
Formation: DST #1, MISSISSIPPIAN  
Pool: WILDCAT  
Job Number: T508

### H3 #1





**DIAMOND TESTING**  
P.O. Box 157  
**HOISINGTON, KANSAS 67544**  
(800) 542-7313  
**DRILL-STEM TEST TICKET**  
FILE: H31DST1

TIME ON: 01:51  
TIME OFF: 10:49

Company PALOMINO PETROLEUM, INC. Lease & Well No. H3 #1  
Contractor VW DRILLING, LLC RIG #12 Charge to PALOMINO PETROLEUM, INC.  
Elevation 2521 KB Formation MISSISSIPPIAN Effective Pay \_\_\_\_\_ Ft. Ticket No. T508  
Date 10-26-15 Sec. 5 Twp. 19 S Range 25 W County NESS State KANSAS  
Test Approved By AARON YOUNG Diamond Representative TIMOTHY T. VENTERS

Formation Test No. 1 Interval Tested from 4434 ft. to 4523 ft. Total Depth 4523 ft.  
Packer Depth 4429 ft. Size 6 3/4 in. Packer depth \_\_\_\_\_ ft. Size 6 3/4 in.  
Packer Depth 4434 ft. Size 6 3/4 in. Packer depth \_\_\_\_\_ ft. Size 6 3/4 in.  
Depth of Selective Zone Set \_\_\_\_\_

Top Recorder Depth (Inside) 4415 ft. Recorder Number 5504 Cap. 5,000 P.S.I.  
Bottom Recorder Depth (Outside) 4520 ft. Recorder Number 11029 Cap. 5,025 P.S.I.  
Below Straddle Recorder Depth \_\_\_\_\_ ft. Recorder Number \_\_\_\_\_ Cap. \_\_\_\_\_ P.S.I.

Mud Type CHEMICAL Viscosity 51 Drill Collar Length 122 ft. I.D. 2 1/4 in.  
Weight 9.6 Water Loss 9.2 cc. Weight Pipe Length 0 ft. I.D. 2 7/8 in.  
Chlorides 3,400 P.P.M. Drill Pipe Length 4279 ft. I.D. 3 1/2 in.  
Jars: Make STERLING Serial Number 2 Test Tool Length 33 ft. Tool Size 3 1/2-IF in.  
Did Well Flow? NO Reversed Out NO Anchor Length 26 ft. Size 4 1/2-FH in.  
Main Hole Size 7 7/8 Tool Joint Size 4 1/2 XH in. <sup>63' DP IN ANCHOR</sup> Surface Choke Size 1 in. Bottom Choke Size 5/8 in.

Blow: 1st Open: WEAK 1/2 INCH BLOW, BUILDING, REACHING BOB 27 MIN. (NO BB)  
2nd Open: WEAK SURFACE BLOW, BUILDING, REACHING BOB 24 MIN. (NO BB)

Recovered 175 ft. of GAS IN PIPE  
Recovered 160 ft. of GO, 3% GAS, 97% OIL, GRAVITY: 38  
Recovered 110 ft. of G,OCM, 5% GAS, 29% OIL, 66% MUD  
Recovered 185 ft. of G,HMCO, 13% GAS, 52% OIL, 35% MUD

Recovered <u>455</u> ft. of <u>TOTAL FLUID</u>	Price Job
Recovered _____ ft. of _____	Other Charges
Remarks: _____	Insurance
TOOL SAMPLE: <u>10% GAS, 35% OIL, 55% MUD</u>	Total

Time Set Packer(s) 5:03 AM <sup>A.M.</sup> P.M. Time Started Off Bottom 8:03 AM <sup>A.M.</sup> P.M. Maximum Temperature 123 deg.

Initial Hydrostatic Pressure..... (A) 2182 P.S.I.  
Initial Flow Period..... Minutes 30 (B) 36 P.S.I. to (C) 133 P.S.I.  
Initial Closed In Period..... Minutes 30 (D) 1108 P.S.I.  
Final Flow Period..... Minutes 60 (E) 131 P.S.I. to (F) 210 P.S.I.  
Final Closed In Period..... Minutes 60 (G) 944 P.S.I.  
Final Hydrostatic Pressure..... (H) 2177 P.S.I.

Diamond Testing shall not be liable for damages of any kind to the property or personnel of the one for whom a test is made or for any loss suffered or sustained, directly or indirectly, through the use of its equipment, or its statement or opinion concerning the result of any test. Tools lost or damaged in the hole shall be paid for at cost by the party for whom the test is made.

# DIAMOND TESTING

## General Information Report

### General Information

Company Name PALOMINO PETROLEUM, INC.  
Contact KLEE WATCHOUS  
Well Name H3 #1  
Unique Well ID DST #2, MISSISSIPPIAN, 4520-4531  
Surface Location SEC 5-19S-25W, NESS CO. KS.  
Field WILDCAT  
Well Type Vertical  
Test Type CONVENTIONAL  
Formation DST #2, MISSISSIPPIAN, 4520-4531  
Well Fluid Type 01 Oil

Representative TIM VENTERS  
Well Operator PALOMINO PETROLEUM, INC.  
Report Date 2015/10/27  
Prepared By TIM VENTERS  
Qualified By AARON YOUNG

Start Test Date 2015/10/26  
Final Test Date 2015/10/27

Start Test Time 17:18:00  
Final Test Time 01:21:00

### Test Recovery:

RECOVERED: 125' SMCO, 98% OIL, 2% MUD  
20' O&MCW, 22% OIL, 52% WATER, 26% MUD  
170' SO&MCW, 4% OIL, 85% WATER, 11% MUD  
315' TOTAL FLUID

TOOL SAMPLE: 50% OIL, 32% WATER, 18% MUD

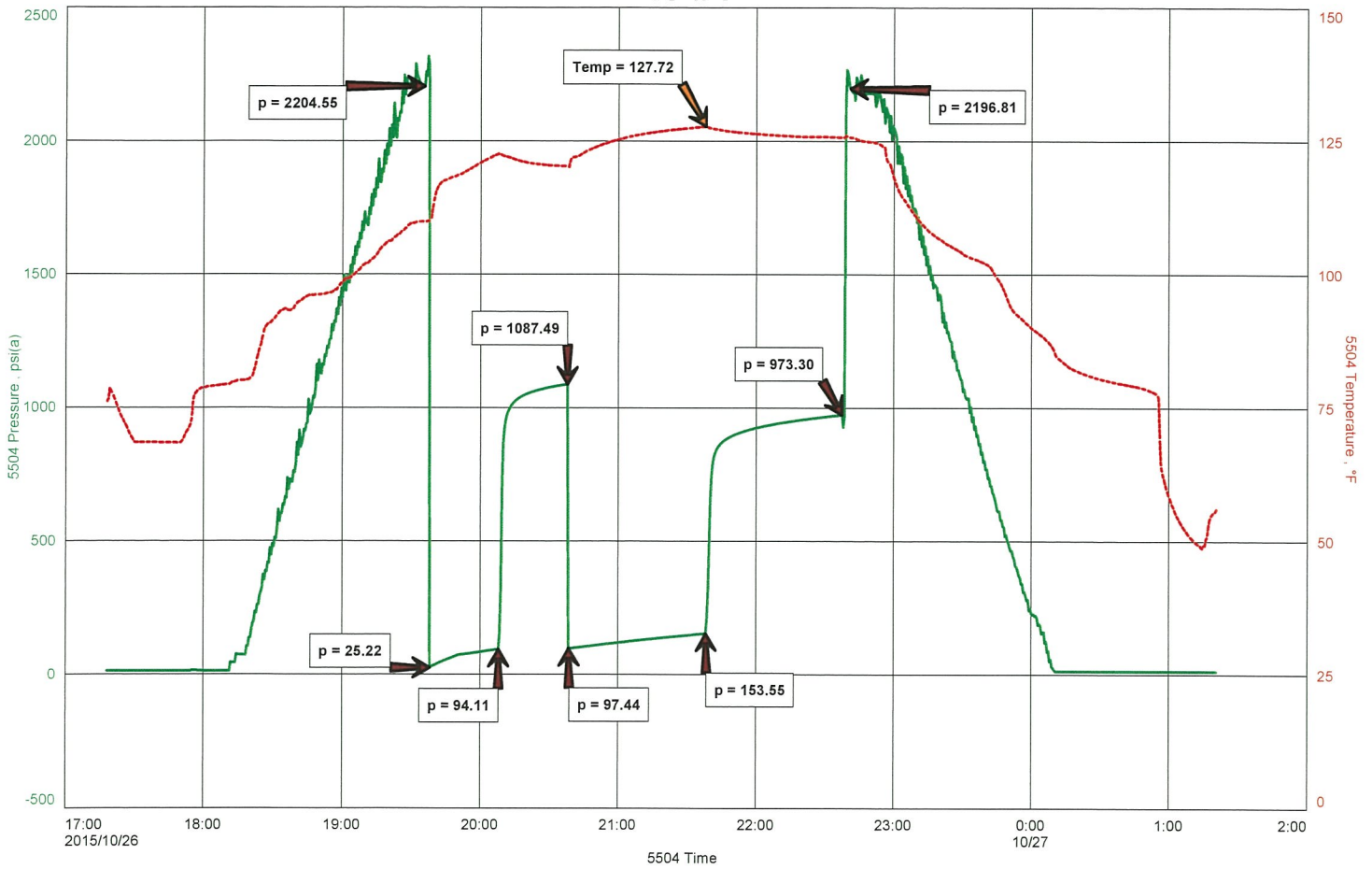
CHLORIDES: 15,000 ppm  
PH: 7.0  
RW: .57 @ 65 deg.

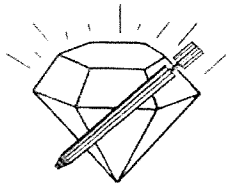


PALOMINO PETROLEUM, INC.  
DST #2, MISSISSIPPIAN, 4520-4531  
Start Test Date: 2015/10/26  
Final Test Date: 2015/10/27

H3 #1  
Formation: DST #2, MISSISSIPPIAN, 4520-4531  
Pool: WILDCAT  
Job Number: T509

### H3 #1





**DIAMOND TESTING**  
P.O. Box 157  
**HOISINGTON, KANSAS 67544**  
(800) 542-7313  
**DRILL-STEM TEST TICKET**  
FILE: H31DST2

TIME ON: 17:18 10-26-15

TIME OFF: 01:21 10-27-15

Company PALOMINO PETROLEUM, INC. Lease & Well No. H3 #1  
Contractor VW DRILLING, LLC RIG #12 Charge to PALOMINO PETROLEUM, INC.  
Elevation 2521 KB Formation MISSISSIPPIAN Effective Pay \_\_\_\_\_ Ft. Ticket No. T509  
Date 10-26-15 Sec. 5 Twp. 19 S Range 25 W County NESS State KANSAS  
Test Approved By AARON YOUNG Diamond Representative TIMOTHY T. VENTERS

Formation Test No. 2 Interval Tested from 4520 ft. to 4531 ft. Total Depth 4531 ft.  
Packer Depth 4515 ft. Size 6 3/4 in. Packer depth \_\_\_\_\_ ft. Size 6 3/4 in.  
Packer Depth 4520 ft. Size 6 3/4 in. Packer depth \_\_\_\_\_ ft. Size 6 3/4 in.

Depth of Selective Zone Set \_\_\_\_\_  
Top Recorder Depth (Inside) 4501 ft. Recorder Number 5504 Cap. 5,000 P.S.I.  
Bottom Recorder Depth (Outside) 4528 ft. Recorder Number 11029 Cap. 5,025 P.S.I.  
Below Straddle Recorder Depth \_\_\_\_\_ ft. Recorder Number \_\_\_\_\_ Cap. \_\_\_\_\_ P.S.I.  
Mud Type CHEMICAL Viscosity 48 Drill Collar Length 122 ft. I.D. 2 1/4 in.  
Weight 9.5 Water Loss 9.2 cc. Weight Pipe Length 0 ft. I.D. 2 7/8 in.  
Chlorides 4,900 P.P.M. Drill Pipe Length 4365 ft. I.D. 3 1/2 in.  
Jars: Make STERLING Serial Number 2 Test Tool Length 33 ft. Tool Size 3 1/2-IF in.  
Did Well Flow? NO Reversed Out NO Anchor Length 11 ft. Size 4 1/2-FH in.  
Main Hole Size 7 7/8 Tool Joint Size 4 1/2 XH in. Surface Choke Size 1 in. Bottom Choke Size 5/8 in.

Blow: 1st Open: WEAK SURFACE BLOW, BUILDING TO 8 1/2 INCHES. (NO BB)  
2nd Open: WEAK SURFACE BLOW, BUILDING, REACHING BOB 54 MIN. (NO BB)

Recovered 125 ft. of SMCO, 98% OIL, 2% MUD, GRAVITY: 35  
Recovered 20 ft. of O&MCW, 22% OIL, 52% WATER, 26% MUD  
Recovered 170 ft. of SO&MCW, 4% OIL, 85% WATER, 11% MUD  
Recovered 315 ft. of TOTAL FLUID

Recovered _____ ft. of _____	CHLORIDES: 15,000 ppm	Price Job
Recovered _____ ft. of _____	PH: 7.0	Other Charges
Remarks: _____	RW: .57 @ 65 deg.	Insurance
TOOL SAMPLE: 50% OIL, 32% WATER, 18% MUD		Total

Time Set Packer(s) 7:38 PM A.M. P.M. Time Started Off Bottom 10:38 PM A.M. P.M. Maximum Temperature 128 deg.  
Initial Hydrostatic Pressure..... (A) 2205 P.S.I.  
Initial Flow Period..... Minutes 30 (B) 25 P.S.I. to (C) 94 P.S.I.  
Initial Closed In Period..... Minutes 30 (D) 1087 P.S.I.  
Final Flow Period..... Minutes 60 (E) 97 P.S.I. to (F) 154 P.S.I.  
Final Closed In Period..... Minutes 60 (G) 973 P.S.I.  
Final Hydrostatic Pressure..... (H) 2197 P.S.I.

Diamond Testing shall not be liable for damages of any kind to the property or personnel of the one for whom a test is made or for any loss suffered or sustained, directly or indirectly, through the use of its equipment, or its statement or opinion concerning the result of any test. Tools lost or damaged in the hole shall be paid for at cost by the party for whom the test is made