

WELL COMPLETION FORM

3/20/09

WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 30742
Name: Palomino Petroleum, Inc.
Address 1: 4924 SE 84th St.
Address 2: _____
City: Newton State: KS Zip: 67114 + 8 8 2 7
Contact Person: Klee R. Watchous
Phone: (316) 799-1000
CONTRACTOR: License # 33575
Name: WW Drilling, L.L.C.
Wellsite Geologist: Robert A. Schreiber
Purchaser: None

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW
 Gas ENHR SIGW
 CM (Coal Bed Methane) Temp. Abd.
 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. Conv. to SWD
 Plug Back: _____ Plug Back Total Depth _____
 Commingled Docket No.: _____
 Dual Completion Docket No.: _____
 Other (SWD or Enhr.?) Docket No.: _____
11/29/08 12/4/08 12/5/08
Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 065-23511-0000
Spot Description: _____
SE SE NW SW Sec. 7 Twp. 6 S. R. 22 East West
1410 Feet from North / South Line of Section
1280 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Graham
Lease Name: Nighswonger Well #: 1
Field Name: Unnamed
Producing Formation: None
Elevation: Ground: 2317 Kelly Bushing: 2322
Total Depth: 3897 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: _____ 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/ _____ sx cmt.

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: March 19, 2009

Subscribed and sworn to before me this 19th day of March,
20 09.

Notary Public: Carla R. Penwell NOTARY PUBLIC - State of Kansas
Carla R. Penwell CARLA R. PENWELL
Date 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

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Operator Name: Palomino Petroleum, Inc. Lease Name: Nighswonger Well #: 1
 Sec. 7 Twp. 6 S. R. 22 East West County: Graham

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	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input 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>1995</td> <td>(+ 327)</td> </tr> <tr> <td>Base Anhy.</td> <td>2022</td> <td>(+ 300)</td> </tr> <tr> <td>Tarkio</td> <td>3232</td> <td>(- 910)</td> </tr> <tr> <td>Topeka</td> <td>3334</td> <td>(-1012)</td> </tr> <tr> <td>Deer Creek</td> <td>3382</td> <td>(-1060)</td> </tr> <tr> <td>Queen Hill</td> <td>3424</td> <td>(-1102)</td> </tr> <tr> <td>Oread</td> <td>3484</td> <td>(-1162)</td> </tr> </table>	Name	Top	Datum	Anhy.	1995	(+ 327)	Base Anhy.	2022	(+ 300)	Tarkio	3232	(- 910)	Topeka	3334	(-1012)	Deer Creek	3382	(-1060)	Queen Hill	3424	(-1102)	Oread	3484	(-1162)
Name	Top	Datum																							
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Queen Hill	3424	(-1102)																							
Oread	3484	(-1162)																							

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"	20#	235'	Common	160	3% c.c., 2% gel

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

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TUBING RECORD:	Size:	Set At:	Packer At:	Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed 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: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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LOGS

Heebner	3528	(-1206)
Toronto	3554	(-1232)
LKC	3568	(-1246)
LKC "D" zone	3616	(-1294)
LKC "G" zone	3646	(-1324)
Muncie Creek	3672	(-1350)
BKC	3756	(-1434)
LTD	3897	(-1575)

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Quality Oilwell Cementing Inc.

740 W WICHITA
P.O. Box 32
Russell, KS 67665

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DEC 02 2008

Invoice

Date	Invoice #
11/30/2008	1230

Bill To
Palomino Petroleum Inc 4924 SE 84th Newton Ks 67114

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
160	common	13.10	2,096.00T
3	GEL	20.00	60.00T
5	Calcium	50.00	250.00T
168	handling	2.10	352.80
7,560	.08 * 168 SACKS * 45 MILES	0.08	604.80
1	surface pipes 0-500ft	850.00	850.00
45	pump truck mileage charge	6.00	270.00
448	discount 10% if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-448.00
	LEASE: NIGHSWOGER WELL #1 Graham county Sales Tax	5.55%	133.53

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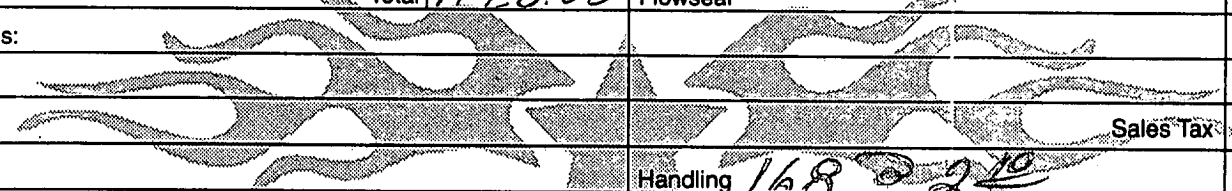
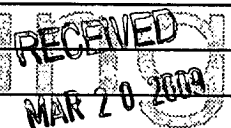

Thank you for your business. Dave	Total	\$4,169.13
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QUALITY OILWELL CEMENTING, INC.

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

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

No. 2003

Date	11-29-08	Sec.	7	Twp.	6	Range	22	Called Out		On Location		Job Start		Finish	5:45 PM	
Lease	Nighswager	Well No.	#2	Location				WILL CITY 10 N 12	County	SH	State	KS				
Contractor	WW-8				Owner	2 N										
Type Job	Surface				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.											
Hole Size	12 1/4		T.D.	236												
Csg.	8 5/8 231b		Depth	235												
Tbg. Size			Depth													
Drill Pipe			Depth													
Tool			Depth	The above was done to satisfaction and supervision of owner agent or contractor.												
Cement Left in Csg.	10-15ft+		Shoe Joint													
Press Max.			Minimum													
Meas Line			Displace	14 BBL												
Perf.	CEMENT															
EQUIPMENT				Amount Ordered	160 ion 200 3' cc 290 gel											
Pumptrk	2	No.	Cementor	Helper Branahan												
Bulktrk	2	No.	Driver	DAN												
Bulktrk	PU	No.	Driver	STEV												
JOB SERVICES & REMARKS				Gel.	3 @ 20.00											
Pumptrk Charge	Surface		850.00	Chloride	5 @ 50.00											
Mileage	45 @ 6.00		270.00	Hulls												
Footage																
Total				1120.00	Flowseal											
Remarks:																
				Handling	168 @ 2.10											
Cement D.D. (TBE)				Mileage	8 @ 7.50											
				Pump TRUCK CHARGE	Sub Total											
				1120.00	Total											
				Floating Equipment & Plugs												
				Squeeze Manifold	Surse											
				Rotating Head												
				 												
				Tax	133.53											
				Discount	(448.00)											
				Total Charge	4169.13											
Signature	Rick [unclear]															

Quality Oilwell Consulting Inc.

740 W WICHITA
P.O. Box 32
Russell, KS 67665

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DEC 08 2008

Invoice

Date	Invoice #
12/5/2008	1236

Bill To
Palomino Petroleum Inc 4924 SE 84th Newton Ks 67114

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
138	common	13.10	1,807.80T
92	POZ	7.10	653.20T
8	GEL	20.00	160.00T
58	Celloseal	2.25	130.50T
238	handling	2.00	476.00T
10,710	.08 cents per sack per mile	0.08	856.80T
1	dry hole plug	45.00	45.00T
1	pump truck charge plugging	850.00	850.00T
45	pump truck mileage charge	6.00	270.00T
525	discount 10% if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-525.00
	LEASE: NIGHSWONGER WELL #1 Graham county Sales Tax	5.55%	291.34
		Total	\$5,015.64

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Thank you for your business. Dave

QUALITY OILWELL CEMENTING, INC.

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

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

No. 2238

Date	12-5-08	Sec.	7	Twp.	6	Range	22	Called Out		On Location		Job Start		Finish	12.00
Lease	Hickman			Well No.	1			Location	Hill City KS		County	Greene	State	KS	
Contractor	W W Dula #8			Owner	L N + A R K E 2 N 1/2 E 11										
Type Job	PTA			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. Intu											
Hole Size	12 1/4			T.D.	3300										
Csg.				Depth	Charge To PALOMINO PETROLEUM										
Tbg. Size				Depth	Street										
Drill Pipe	4 1/2			Depth	City State										
Tool				Depth	The above was done to satisfaction and supervision of owner agent or contractor.										
Cement Left in Csg.				Shoe Joint											
Press Max.				Minimum											
Meas Line				Displace											
Perf.	CEMENT														

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EQUIPMENT				Amount Ordered		
Pumptrk	No.	Cementer		60/45 Poz	230	SK
		Helper	JOE	Consisting of	4 1/2 GEL 1/4 # FIS - seal	
Bulktrk	No.	Driver	Paul	Common	139	13.10
		Driver	Paul	Poz. Mix	90	7.10
Bulktrk	No.	Driver	Tom	Gel.	30	20.00
		Driver	Tom	Chloride		

JOB SERVICES & REMARKS						
Pumptrk Charge	plug		850.00	Flowseal	55 @ 2.25	130.50
Mileage	451	26.00	270.00	Hulls		
Footage				Salt		
			Total 1120.00			

Remarks: 1st plug 2010

2nd plug 100 SK 1220"

3rd plug 40 SK 290'

4th plug 10 SK 40'

K-Hole 2 SK

Thanks
Tom Paul
JOE

Please call

Signature

		Sales Tax
Handling	2381.20	476.00
Mileage	03 HOLE THE HOLE	856.30
Pump TRUCK CHARGE		1120.00
Sub Total		1120.00
Total		
Floating Equipment & Plugs	100 SK 40' plug	45.00
Squeeze Manifold		
Rotating Head		
Tax		291.34
Discount		(525.00)
Total Charge		5015.64

Quality Oilwell Cementing

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