

ORIGINAL

Form ACO-1  
October 2008  
Form Must Be Typed

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

*4/20/09*

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE  
RECEIVED

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 # 33350  
Name: Southwind Drilling, Inc.  
Wellsite Geologist: Nicholas P. Gerstner & Robert A. Schreiber  
Purchaser: NCRA

APR 17 2009  
KCC WICHITA

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.: \_\_\_\_\_  
1/7/09 1/13/09 1/13/09  
Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 15-009-25292-0000  
Spot Description: \_\_\_\_\_  
SW - NE - NW - SW Sec. 5 Twp. 17 S. R. 12  East  West  
2260 Feet from  North /  South Line of Section  
750 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: Barton  
Lease Name: Wilborn Well #: 1  
Field Name: Wildcat  
Producing Formation: Arbuckle  
Elevation: Ground: 1929 Kelly Bushing: 1939  
Total Depth: 3500 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 414 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.: \_\_\_\_\_

*Alt - Dig - 5/1/09*

**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: April 16, 2009

Subscribed and sworn to before me this 16th day of April,  
20 09.

Notary Public: Carla R. Penwell  
Date Commission Expires: October 6, 2009  
NOTARY PUBLIC - State of Kansas  
CARLA R. PENWELL  
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

Operator Name: Palomino Petroleum, Inc. Lease Name: Wilborn Well #: 1  
 Sec. 5 Twp. 17 S. R. 12  East  West County: Barton

**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: <b>Radiation Guard, Borehole Compensated Sonic</b>	<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>836</td> <td>(+1103)</td> </tr> <tr> <td>Base Anhy.</td> <td>862</td> <td>(+1077)</td> </tr> <tr> <td>Howard</td> <td>2734</td> <td>(- 795)</td> </tr> <tr> <td>Topeka</td> <td>2768</td> <td>(- 829)</td> </tr> <tr> <td>Heebner</td> <td>3050</td> <td>(-1111)</td> </tr> <tr> <td>Toronto</td> <td>3068</td> <td>(-1129)</td> </tr> <tr> <td>Brown Lime</td> <td>3140</td> <td>(-1201)</td> </tr> </table>	Name	Top	Datum	Anhy.	836	(+1103)	Base Anhy.	862	(+1077)	Howard	2734	(- 795)	Topeka	2768	(- 829)	Heebner	3050	(-1111)	Toronto	3068	(-1129)	Brown Lime	3140	(-1201)
Name	Top	Datum																							
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Toronto	3068	(-1129)																							
Brown Lime	3140	(-1201)																							

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#	414'	Common	200	2% gel, 3% c.c.
Production	7 7/8"	5 1/2"	14#	3491'	SMD	75	500 gal. mud flush,
					EA-2	100	w/add., 20 bbls. KCL water

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	3411-3415	<div style="border: 2px solid black; padding: 5px; transform: rotate(-2deg); font-weight: bold; font-size: 1.2em;">                     RECEIVED                      APR 17 2009                      KCC WICHITA                 </div>	

TUBING RECORD:	Size: 2 7/8"	Set At: 3481'	Packer At:	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr. 2/6/09		Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)		
Estimated Production Per 24 Hours	Oil Bbls. 100 53	Gas Mcf	Water Bbls. 0 0	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 checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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**LOGS**

LKC	3159	(-1220)
BKC	3389	(-1450)
Arbuckle	3402	(-1463)
LTD	3500	(-1561)

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# SWIFT



Services, Inc.

P. O. Box 466  
Ness City, KS 67560  
Off: 785-798-2300



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JAN 17 2009

## Invoice

DATE	INVOICE #
1/13/2009	15285

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

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Wilborn	Barton	SouthWind Drilling	Oil	Development	Cement 5-1/2" Pr...	Roger
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				50	Miles	7.00	350.00
578D-L	Pump Charge - Long String				1	Job	1,400.00	1,400.00
407-5	5 1/2" Insert Float Shoe With Auto Fill				1	Each	325.00	325.00T
406-5	5 1/2" Latch Down Plug & Baffle				1	Each	260.00	260.00T
402-5	5 1/2" Centralizer				10	Each	100.00	1,000.00T
403-5	5 1/2" Cement Basket				2	Each	300.00	600.00T
419-5	5 1/2" Rotating Head Rental				1	Each	250.00	250.00T
281	Mud Flush				500	Gallon(s)	1.00	500.00T
221	Liquid KCL (Clayfix)				2	Gallon(s)	26.00	52.00T
325	Standard Cement				100	Sacks	13.00	1,300.00T
330	Swift Multi-Density Standard (MIDCON II)				75	Sacks	16.00	1,200.00T
284	Calseal				5	Sack(s)	30.00	150.00T
283	Salt				500	Lb(s)	0.20	100.00T
285	CFR-1				47	Lb(s)	4.50	211.50T
276	Flocele				45	Lb(s)	1.50	67.50T
581D	Service Charge Cement				175	Sacks	1.90	332.50
583D	Drayage				447.695	Ton Miles	1.75	783.47
	Subtotal							8,881.97
	Sales Tax Barton County						6.30%	379.01

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KCC WICHITA

Thank You For Your Business In 2008! We Look Forward To Serving You In 2009!	Total	\$9,260.98
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CHARGE TO: Palomino Petroleum  
 ADDRESS: \_\_\_\_\_  
 CITY, STATE, ZIP CODE: \_\_\_\_\_

RECEIVED  
 APR 17 2009

TICKET  
 No 15285

PAGE 1 OF 2

SERVICE LOCATIONS: 1. Hayes, Ks.

WELL/PROJECT NO. #1 LEASE Wilborn COUNTY/PARISH Barton STATE Ks. CITY KCC WICHITA DATE 1-13-09 OWNER Same

TICKET TYPE  SERVICE  SALES CONTRACTOR Southwind RIG NAME/NO. \_\_\_\_\_ SHIPPED VIA CIT DELIVERED TO Loc. ORDER NO. \_\_\_\_\_

WELL TYPE oil WELL CATEGORY Development JOB PURPOSE Cent. 5 1/2" Prod. Csg. WELL PERMIT NO. \_\_\_\_\_ WELL LOCATION Sec 5-17S-12W

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 #112	50	mi			7.00	350	00
578		1			Pump Service	1	ea			1400.00	1400	00
407		1			Insert Float Shoe	1	ea	5 1/2	"	325.00	325	00
406		1			Latch down Plug + Baffle	1	ea			260.00	260	00
402		1			Centralizers	10	ea			100.00	1000	00
403		1			Cent. Basket	2	ea			300.00	600	00
419		1			Rotating head	1	ea			250.00	250	00
281		1			Mud Flush	500	gal			1.00	500	00
221		1			KCL	2	gal			26.00	52	00
											4737	00
											4144	97
											<del>6042</del>	<del>00</del>

See Continuation

**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 Nicholas J. Davis

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?				sub	<del>10725</del> 49
WE UNDERSTOOD AND MET YOUR NEEDS?					8881 97
OUR SERVICE WAS PERFORMED WITHOUT DELAY?					
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				Barton TAX 6.3%	379 01
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	9260 98
<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 Roger S. Gledhill

APPROVAL \_\_\_\_\_

Thank You!



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

TICKET CONTINUATION

TICKET No. 15285

CUSTOMER *Palomares Petroleum* WELL *Wilborn #1* DATE *1-13-09* PAGE *2* OF *2*

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		UM		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF			QTY.	UM	QTY.	UM			
325		1				Standard Cement	100	sk			13 80	1300	80
330		1				S.M.A. Cement	75	sk			16 80	1200	80
284		1				Calsoal	470	#	5	sk	30 80	150	80
283		1				Salt	500	#			20	100	80
285		1				CFR-1	47	#			4 50	<del>211</del>	80
276		1				Flocele	45	#			1 50	67	50
581						SERVICE CHARGE					1 90	332	50
583						MILEAGE CHARGE					1 25	783	47

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CONTINUATION TOTAL ~~61078.44~~  
11144.97

**JOB LOG**

**SWIFT Services, Inc.**

DATE 1-13-09 PAGE NO. 7

CUSTOMER Palemino Pet. WELL NO. #1 LEASE Wilburn JOB TYPE Long String TICKET NO. 15285

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1630							on loc.
	1640							Start 5'1/2" 14" Csg. Insert Float Shoe Latch down Baffle Cent. #1, 2, 3, 4, 5, 7, 10, 12, 14, 17 Basket #3, #5
	1805							Fin run casing - Drop ball 5' to and
	1815							Start circ & Rotate casing - (Pump Down) Loc
	1905		7 1/2					Plug RH-20SKS @ 2.18 FT/SK - 12 1/2" SMD
	1915	5	12			325	300	St. Plusher - 500 gpm Mud flush
		5	20			325	350	KCL Plush
		5 1/2	22				350	Mix 55 SKS SMD @ 12.5 #/gal
		4	24				320	Mix 100 SKS EA-2 @ 15.5 #/gal
	1942							Fin cut - Wash pump lines
	1945	8 1/2					375	Drop L.D. Plug - St. Displ - H2O
		9	15				400	@ 15 BBL
		8	30				325	@ 30 BBL - slow rate
		8	65				450	stop Rotate & <del>slow rate</del> caught LHA P
		6	70			600	400	slow rate
		4 1/2	80			550	500	slow rate
	2000		85			750	1500	Plug Down - Hold - Release & Hold Wash up & Rack up Ties
								Job Complete

*[Signature]*  
Roger - Don, Blaine, Smith

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KCC WICHITA

Quality Oilwell Cementing Inc.

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

RECEIVED

JAN 10 2009

**Invoice**

Date	Invoice #
1/8/2009	1294

<b>Bill To</b>
Palomino Petroleum Inc 4924 SE 84th Newton Ks 67114

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
200	common	12.75	2,550.00T
4	GEL	20.00	80.00T
7	Calcium	50.00	350.00T
211	handling	2.00	422.00
5,486	.08 * 211 SACKS * 26 MILES	0.08	438.88
1	8 5/8 wooden plug	69.00	69.00T
1	surface pipes 0-500ft	500.00	500.00
26	pump truck mileage charge	6.00	156.00
457	discount 10% if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-457.00
	LEASE: WILBORN WELL #1 Barton county Sales Tax	6.30%	192.09

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Thank you for your business. Dave	<b>Total</b>	\$4,300.97
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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. 2006

Date	1-7-09	Sec.	5	Twp.	17	Range	12	Called Out		On Location		Job Start		Finish	1100
Lease	Wilborn	Well No.	H1			Location	BEAVER			Beeton County		State	KS		
Contractor	Southwestern Delg #1						Owner	2S 1W 1/2 S E Into							
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.	4 1/6'		Charge To	PALOMINO FEL.								
Csg.	8 5/8 23"		Depth	4 1/4		Street									
Tbg. Size			Depth			City	State								
Drill Pipe			Depth			The above was done to satisfaction and supervision of owner agent or contractor.									
Tool			Depth												
Cement Left in Csg.	15		Shoe Joint												
Press Max.			Minimum												
Meas Line			Displace	25.5		<b>CEMENT</b>									
Perf.															
<b>EQUIPMENT</b>						Amount Ordered	200 ex Common								
Pumptrk	5	No.	Cementor	JOE		Consisting of	29% GEL 3% CL								
Bulktrk	15	No.	Driver	PAUL		Common	200 @ 6 1/2"								
Bulktrk	PV	No.	Driver	TODD		Poz. Mix									
<b>JOB SERVICES &amp; REMARKS</b>						Gel.	4 @ 20 <sup>00</sup>								
Pumptrk Charge	Surface		500 <sup>00</sup>			Chloride	7 @ 50 <sup>00</sup>								
Mileage	26 @ 6 <sup>00</sup>					Hulls									
Footage						Salt									
Total						Flowseal									
Remarks:															
Run 10 @ 5 8 5/8 23" Csg															
max Pump 200 ex Common						Sales Tax									
29% GEL 3% CL						Handling	210 @ 2 <sup>00</sup>								
15.6 #/gal 1.36H3						Mileage	.03 PER EX PER MILE								
SHUT DOWN RELEASE PLUG						Sub Total									
DS & Bbls total DESP						Total									
Good Csg then JOB						Floating Equipment & Plugs	1 WOODEN PLUG								
Circ cut to PA						Squeeze Manifold									
Thanks						Rotating Head									
TODD						<b>RECEIVED</b>									
JOE PAUL						<b>APR 17 2009</b>									
PLEASE CALL AGAIN						<b>KCC WICHITA</b>									
Signature <i>Frank Rome</i>						Tax									
						Discount									
						Total Charge									