

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1  
September 1999  
Form Must Be Typed

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, Kansas 67114-8827  
Purchaser: NCRA  
Operator Contact Person: Klee R. Watchous  
Phone: (316) 799-1000  
Contractor: Name: Southwind Drilling, Inc.  
License: 33350  
Wellsite Geologist: Jon R. (Zeb) Stewart

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: \_\_\_\_\_  
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. \_\_\_\_\_

| 5/29/07                           | 6/6/07          | 6/6/07                                  |
|-----------------------------------|-----------------|---|
| Spud Date or<br>Recompletion Date | Date Reached TD | Completion Date or<br>Recompletion Date |

API No. 15 - 135-24643-0000  
County: Ness  
SW - NE - NE Sec. 6 Twp. 17 S. R. 24  East  West  
860 feet from S (N) (circle one) Line of Section  
900 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) (NE) SE NW SW  
Lease Name: Vermilion Well #: 1  
Field Name: Vermilion

Producing Formation: Mississippian  
Elevation: Ground: 2511 Kelly Bushing: 2521  
Total Depth: 4597 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 224 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set 1838 Feet  
If Alternate II completion, cement circulated from 1838  
feet depth to surface w/ 155 sx cmt.

Drilling Fluid Management Plan Alt II NH7-10-08  
(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: August 23, 2007

Subscribed and sworn to before me this 23rd day of August,  
20 07.

Notary Public: Carla R. Penwell  
Date Commission Expires: October 26, 2009  
My Appt. Expires 10-16-09

**KCC Office Use ONLY**

Letter of Confidentiality Received  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

RECEIVED  
KANSAS CORPORATION COMMISSION  
AUG 27 2007

CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Palomino Petroleum, Inc. Lease Name: Vermilion Well #: 1  
 Sec. 6 Twp. 17 S. R. 24  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

Cores Taken  Yes  No

Electric Log Run  Yes  No  
 (Submit Copy)

List All E. Logs Run:

Radiation Guard

| <input checked="" type="checkbox"/> Log | Formation (Top), Depth and Datum | <input type="checkbox"/> Sample |
|---|----------------------------------|---------------------------------|
| Name                                    | Top                              | Datum                           |
| Anhy.                                   | 1873                             | (+ 648)                         |
| Base Anhy.                              | 1903                             | (+ 618)                         |
| Topeka                                  | 3595                             | (-1074)                         |
| Heebner                                 | 3867                             | (-1346)                         |
| LKC                                     | 3908                             | (-1387)                         |
| BKC                                     | 4197                             | (-1676)                         |
| Marmaton                                | 4274                             | (-1753)                         |
| Pawnee                                  | 4320                             | (-1799)                         |

| 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#              | 224'          | Common         | 160          | 2% gel, 3% c.c.            |
| Production  | 7 7/8"            | 5 1/2"                    | 14#              | 4591'         | EA2            | 160          | 500 gal. mud flush         |
|   |                   |                           |                  |               |                |              | 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<br>Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record<br>(Amount and Kind of Material Used) | Depth |
|----------------|---|---|-------|
| 4              | 4491-4496   |   |       |
|                |   |   |       |
|                |   |   |       |
|                |   |   |       |

| TUBING RECORD | Size   | Set At | Packer At | Liner Run   |
|---------------|--------|--------|-----------|---|
|               | 2 7/8" | 4557'  |           | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

| Date of First, Resumerd Production, SWD or Enhr. | Producing Method  |
|--|---|
| 7/10/07  | <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. Gas Mcf Water Bbls. Gas-Oil Ratio Gravity   |
|  | 80% 82 20% 21   |

Disposition of Gas  Vented  Sold  Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION  Open Hole  Perf.  Dually Comp.  Commingled  Other (Specify)

Production Interval

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CONSERVATION DIVISION  
 WICHITA, KS

**LOGS**

|              |      |         |
|--------------|------|---------|
| Ft. Scott    | 4396 | (-1875) |
| Cherokee Sh. | 4420 | (-1899) |
| Miss. Dolo.  | 4483 | (-1962) |
| LTD          | 4597 | (-2076) |

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**AUG 27 2007**

CONSERVATION DIVISION  
WICHITA, KS



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



# Invoice

|          |           |
|----------|-----------|
| DATE     | INVOICE # |
| 6/6/2007 | 12196     |

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

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JUN 08 2007

- Acidizing
- Cement
- Tool Rental

| TERMS  | Well No. | Lease      | County | Contractor            | Well Type | Well Category | Job Purpose       | Operator |
|--------|----------|------------|--------|-----------------------|-----------|---------------|-------------------|----------|
| Net 30 | #1       | Vermillion | Ness   | South Wind Drillin... | Oil       | Development   | 5-1/2" LongString | Wayne    |

| PRICE REF. | DESCRIPTION                                    | QTY    | UM        | UNIT PRICE | AMOUNT    |
|------------|--|--------|-----------|------------|-----------|
| 575D       | Mileage - 1 Way                                | 20     | Miles     | 4.00       | 80.00     |
| 578D-L     | Pump Charge - Long String - 4591 Feet          | 1      | Job       | 1,250.00   | 1,250.00  |
| 221        | Liquid KCL (Clayfix)                           | 2      | Gallon(s) | 26.00      | 52.00T    |
| 281        | Mud Flush                                      | 500    | Gallon(s) | 0.75       | 375.00T   |
| 402-5      | 5 1/2" Centralizer                             | 10     | Each      | 95.00      | 950.00T   |
| 403-5      | 5 1/2" Cement Basket                           | 3      | Each      | 290.00     | 870.00T   |
| 404-5      | 5 1/2" Port Collar - Top Joint #67 - 1838 Feet | 1      | Each      | 2,300.00   | 2,300.00T |
| 406-5      | 5 1/2" Latch Down Plug & Baffle                | 1      | Each      | 235.00     | 235.00T   |
| 407-5      | 5 1/2" Insert Float Shoe With Auto Fill        | 1      | Each      | 310.00     | 310.00T   |
| 419-5      | 5 1/2" Rotating Head Rental                    | 1      | Each      | 250.00     | 250.00T   |
| 325        | Standard Cement                                | 175    | Sacks     | 12.00      | 2,100.00T |
| 276        | Flocele  | 44     | Lb(s)     | 1.25       | 55.00T    |
| 283        | Salt   | 900    | Lb(s)     | 0.20       | 180.00T   |
| 284        | Calseal  | 8      | Sack(s)   | 30.00      | 240.00T   |
| 285        | CFR-1  | 100    | Lb(s)     | 4.00       | 400.00T   |
| 290        | D-Air  | 1      | Gallon(s) | 32.00      | 32.00T    |
| 581D       | Service Charge Cement                          | 175    | Sacks     | 1.10       | 192.50    |
| 583D       | Drayage  | 182.94 | Ton Miles | 1.00       | 182.94    |
|            | Subtotal                                       |        |           |            | 10,054.44 |
|            | Sales Tax Ness County                          |        |           | 5.30%      | 442.50    |

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AUG 27 2007  
CONSERVATION DIVISION  
WICHITA, KS

We Appreciate Your Business!

Total \$10,496.94



CHARGE TO:  
**PALOMONJO PEROLEUM**  
 ADDRESS  
 CITY, STATE, ZIP CODE

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 KANSAS CORPORATION COMMISSION

AUG 27 2007

TICKET

No 12196

CONSERVATION DIVISION  
 WICHITA, KS

|      |    |
|------|----|
| PAGE | OF |
| 1    | 2  |

|  |  |   |  |                          |   |                       |                      |
|--|--|---|--|--------------------------|---|-----------------------|----------------------|
| SERVICE LOCATIONS<br>1. <b>NESS CO, KS</b> | WELL/PROJECT NO.<br># <b>1</b>   | LEASE<br><b>VERMILLION</b>              | COUNTY/PARISH<br><b>NESS</b>           | STATE<br><b>Ks</b>       | CITY  | DATE<br><b>6-6-07</b> | OWNER<br><b>SAME</b> |
| 2.   | TICKET TYPE<br><input checked="" type="checkbox"/> SERVICE<br><input type="checkbox"/> SALES | CONTRACTOR<br><b>SOUTHWEST DRILG #1</b> | RIG NAME/NO.                           | SHIPPED VIA<br><b>CT</b> | DELIVERED TO<br><b>LOCATION</b>                     | ORDER NO.             |                      |
| 3.   | WELL TYPE<br><b>OIL</b>  | WELL CATEGORY<br><b>DEVELOPMENT</b>     | JOB PURPOSE<br><b>5 1/2" LONGSTRAW</b> | WELL PERMIT NO.          | WELL LOCATION<br><b>NESS CO, KS - 4W, 10W, 3/4W</b> |                       |                      |
| 4. REFERRAL LOCATION                       | INVOICE INSTRUCTIONS   |   |  |                          |   |                       |                      |

| PRICE REFERENCE | SECONDARY REFERENCE/<br>PART NUMBER | ACCOUNTING |      |    | DESCRIPTION                    | QTY. |     | UNIT PRICE |        | AMOUNT  |
|-----------------|-------------------------------------|------------|------|----|--------------------------------|------|-----|------------|--------|---------|
|                 |                                     | LOC        | ACCT | DF |                                | QTY. | U/M | QTY.       | U/M    |         |
| 575             |                                     | 1          |      |    | MILEAGE #104                   | 20   | ME  |            | 4.00   | 80.00   |
| 578             |                                     | 1          |      |    | PUMP SERVICE                   | 1    | JOB | 4591       | FT     | 1250.00 |
| 221             |                                     | 1          |      |    | LEADS KCL                      | 2    | Gal |            | 26.00  | 52.00   |
| 281             |                                     | 1          |      |    | MUDFLUSH                       | 500  | Gal |            | .75    | 375.00  |
| 402             |                                     | 1          |      |    | CENTRALIZERS                   | 10   | EA  | 5 1/2"     | 95.00  | 950.00  |
| 403             |                                     | 1          |      |    | CEMENT BASKETS                 | 3    | EA  |            | 290.00 | 870.00  |
| 404             |                                     | 1          |      |    | PORT COLLAR TOP JT # 67        | 1    | EA  | 1838       | FT     | 2300.00 |
| 406             |                                     | 1          |      |    | LATCH DOWN PLUG - RAFFLE       | 1    | EA  |            | 235.00 | 235.00  |
| 407             |                                     | 1          |      |    | INSERT FLOAT SHADE W/AUTO FOLL | 1    | EA  |            | 310.00 | 310.00  |
| 419             |                                     | 1          |      |    | ROTATING HEAD RENTAL           | 1    | EA  |            | 250.00 | 250.00  |

**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 *Pat Jensen*  
 DATE SIGNED **6-6-07** 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 #1 | 6672.00   |
| OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?  |       |            |           | #2            | 3382.44   |
| WE UNDERSTOOD AND MET YOUR NEEDS?   |       |            |           | Subtotal      | 10,054.44 |
| OUR SERVICE WAS PERFORMED WITHOUT DELAY?  |       |            |           | TAX           | 442.50    |
| WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?                        |       |            |           | Less 5.3%     |           |
| ARE YOU SATISFIED WITH OUR SERVICE?<br><input type="checkbox"/> YES <input type="checkbox"/> NO |       |            |           | TOTAL         | 10,496.94 |
| <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  
 Thank You!



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

TICKET CONTINUATION

TICKET No. 12196

CUSTOMER PALOMENO PETROLEUM WELL VERMILION #1 DATE 6-6-07 PAGE 2 OF 2

| PRICE REFERENCE | SECONDARY REFERENCE/<br>PART NUMBER | ACCOUNTING |      |    | TIME | DESCRIPTION    | QTY. |        | UM   |     | UNIT PRICE | AMOUNT  |        |
|-----------------|-------------------------------------|------------|------|----|------|----------------|------|--------|------|-----|------------|---------|--------|
|                 |                                     | LOC        | ACCT | DF |      |                | QTY. | UM     | QTY. | UM  |            |         |        |
| 325             |                                     | 1          |      |    |      | STANDARD COMWT | EA-2 | 175    | SKS  |     | 12.00      | 2100.00 |        |
| 276             |                                     | 1          |      |    |      | FLOECE         |      | 44     | LBS  |     | 1.25       | 55.00   |        |
| 283             |                                     | 1          |      |    |      | SALT           |      | 900    | LBS  |     | .20        | 180.00  |        |
| 284             |                                     | 1          |      |    |      | CALSEAL        |      | 8      | SKS  | 800 | LBS        | 30.00   | 240.00 |
| 285             |                                     | 1          |      |    |      | CFR-1          |      | 100    | LBS  |     | 4.00       | 400.00  |        |
| 290             |                                     | 1          |      |    |      | DADR           |      | 1      | GA   |     | 32.00      | 32.00   |        |
| 581             |                                     | 1          |      |    |      | SERVICE CHARGE |      |        |      |     |            |         |        |
| 583             |                                     | 1          |      |    |      | MILEAGE CHARGE |      |        |      |     |            |         |        |
|                 |                                     |            |      |    |      | TOTAL WEIGHT   |      | 18294  |      |     |            |         |        |
|                 |                                     |            |      |    |      | LOADED MILES   |      | 20     |      |     |            |         |        |
|                 |                                     |            |      |    |      | CUBIC FEET     |      | 175    |      |     | 1.10       | 192.50  |        |
|                 |                                     |            |      |    |      | TON MILES      |      | 182.94 |      |     | 1.00       | 182.94  |        |

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AUG 27 2007  
CONSERVATION DIVISION  
WICHITA, KS

CONTINUATION TOTAL 3382.44

**JOB LOG**

**SWIFT Services, Inc.**

DATE 6-6-07 PAGE NO. 7

CUSTOMER PALOMEDO PETROLEUM WELL NO. #1 LEASE VERMILION JOB TYPE 5 1/2" LONGSTRENG TICKET NO. 12196

| CHART NO. | TIME | RATE (BPM) | VOLUME (BBL) (GAL) | PUMPS |   | PRESSURE (PSI) |        | DESCRIPTION OF OPERATION AND MATERIALS            |
|-----------|------|------------|--------------------|-------|---|----------------|--------|---|
|           |      |            |                    | T     | C | TUBING         | CASING |   |
|           | 0400 |            |                    |       |   |                |        | ON LOCATION                                       |
|           | 0430 |            |                    |       |   |                |        | START 5 1/2" CASING IN WELL                       |
|           |      |            |                    |       |   |                |        | TD - 4600' SET 4591                               |
|           |      |            |                    |       |   |                |        | TP - 4591' 5 1/2" 14                              |
|           |      |            |                    |       |   |                |        | SS - 21'  |
|           |      |            |                    |       |   |                |        | CENTRALIZERS - 1, 2, 4, 5, 10, 12, 14, 17, 22, 66 |
|           |      |            |                    |       |   |                |        | CMT BSRTS - 3, 6, 67                              |
|           |      |            |                    |       |   |                |        | PORT COLLAR - 1838 TOP JT # 67                    |
|           | 0630 |            |                    |       |   |                |        | DROP BALL - CIRCULATE ROTATE                      |
|           | 0731 | 6          | 12                 |       | ✓ |                | 450    | PUMP 500 GAL MUD FLUSH                            |
|           | 0733 | 6          | 20                 |       | ✓ |                | 450    | PUMP 20 BBL KCL-FLUSH                             |
|           | 0738 |            | 4 1/2              |       |   |                |        | PLUG RH - MH                                      |
|           | 0744 | 6          | 42                 |       | ✓ |                | 350    | MAX CPMWT - 175 SLS EA-2                          |
|           | 0752 |            |                    |       |   |                |        | WASH OUT PUMP - LINES                             |
|           | 0753 |            |                    |       |   |                |        | RELEASE LATCH DOWN PLUG                           |
|           | 0755 | 7          | 0                  |       | ✓ |                |        | DISPLACE PLUG                                     |
|           |      | 6 1/2      | 101                |       |   |                | 750    | SHUT OFF ROTATING                                 |
|           | 0810 | 6 1/2      | 111.5              |       |   |                | 1500   | PLUG DOWN - PSE UP LATCH IN PLUG                  |
|           | 0812 |            |                    |       |   |                | OK     | RELEASE PSE - HELD                                |
|           |      |            |                    |       |   |                |        | WASH TRUCK  |
|           | 0900 |            |                    |       |   |                |        | JOB COMPLETE                                      |

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AUG 27 2007

CONSERVATION DIVISION  
WICHITA, KS

THANK YOU  
WAKE, DUSTY, REAR

# SWIFT



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



## Invoice

|           |           |
|-----------|-----------|
| DATE      | INVOICE # |
| 6/19/2007 | 12215     |

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

RECEIVED  
JUN 22 2007

- Acidizing
- Cement
- Tool Rental

| TERMS  | Well No. | Lease      | County | Contractor          | Well Type | Well Category | Job Purpose        | Operator |
|--------|----------|------------|--------|---------------------|-----------|---------------|--------------------|----------|
| Net 30 | #1       | Vermillion | Ness   | Cheyenne Well Se... | Oil       | Development   | Cement Port Collar | Wayne    |

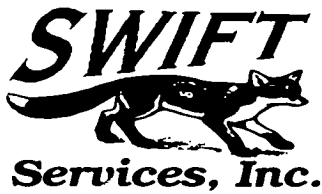
| PRICE REF. | DESCRIPTION                              | QTY   | UM        | UNIT PRICE | AMOUNT    |
|------------|--|-------|-----------|------------|-----------|
| 575D       | Mileage - 1 Way                          | 20    | Miles     | 4.00       | 80.00     |
| 577D       | Pump Charge - Port Collar                | 1     | Job       | 850.00     | 850.00    |
| 105        | Port Collar Tool Rental With Man         | 1     | Each      | 400.00     | 400.00T   |
| 107        | Stripper Head Rental Per Day             | 1     | Each      | 175.00     | 175.00T   |
| 330        | Swift Multi-Density Standard (MIDCON II) | 155   | Sacks     | 14.50      | 2,247.50T |
| 276        | Flocele                                  | 50    | Lb(s)     | 1.25       | 62.50T    |
| 290        | D-Air                                    | 2     | Gallon(s) | 32.00      | 64.00T    |
| 581D       | Service Charge Cement                    | 200   | Sacks     | 1.10       | 220.00    |
| 583D       | Drayage                                  | 199.7 | Ton Miles | 1.00       | 199.70    |
|            | Subtotal                                 |       |           |            | 4,298.70  |
|            | Sales Tax Ness County                    |       |           | 5.30%      | 156.30    |

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CONSERVATION DIVISION  
WICHITA, KS

Thank You For Your Business!

Total \$4,455.00





CHARGE TO:  
**PALOMAZO PETROLEUM**  
 ADDRESS  
 CITY, STATE, ZIP CODE

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TICKET  
 No 12215

AUG 27 2007

PAGE 1 OF 1

CONSERVATION DIVISION

|  |  |  |   |                          |  |                        |                      |
|--|--|--|---|--------------------------|--|------------------------|----------------------|
| SERVICE LOCATIONS<br>1. <b>NESS CITY, KS</b> | WELL/PROJECT NO.<br># <b>1</b>   | LEASE<br><b>VERMILION</b>                  | COUNTY/PARISH<br><b>NESS</b>            | STATE<br><b>Ks</b>       | CITY<br><b>WICHITA, KS</b>                             | DATE<br><b>6-19-07</b> | OWNER<br><b>SAME</b> |
| 2.   | TICKET TYPE<br><input checked="" type="checkbox"/> SERVICE<br><input type="checkbox"/> SALES | CONTRACTOR<br><b>CHEYSSJE WELL SERVICE</b> | RIG NAME/NO.                            | SHIPPED VIA<br><b>CT</b> | DELIVERED TO<br><b>LOCATION</b>                        | ORDER NO.              |                      |
| 3.   | WELL TYPE<br><b>OTL</b>  | WELL CATEGORY<br><b>DEVELOPMNT</b>         | JOB PURPOSE<br><b>COMWT PORT COLLAR</b> | WELL PERMIT NO.          | WELL LOCATION<br><b>RAISON JET - SW, 3c, 1w, N2070</b> |                        |                      |
| 4. REFERRAL LOCATION                         | INVOICE INSTRUCTIONS   |  |   |                          |  |                        |                      |

| PRICE REFERENCE | SECONDARY REFERENCE/<br>PART NUMBER | ACCOUNTING |      |    | DESCRIPTION                 | QTY.  |     | UNIT PRICE |       | AMOUNT  |
|-----------------|-------------------------------------|------------|------|----|-----------------------------|-------|-----|------------|-------|---------|
|                 |                                     | LOC        | ACCT | DF |                             | QTY.  | UM  | QTY.       | UM    |         |
| 575             |                                     | 1          |      |    | MILEAGE # 104               | 20    | MG  | 4.00       |       | 80.00   |
| 577             |                                     | 1          |      |    | PUMP SERVICE                | 1     | JOB | 850.00     |       | 850.00  |
| 105             |                                     | 1          |      |    | PORT COLLAR OPENING TOOL    | 1     | JOB | 400.00     |       | 400.00  |
| 107             |                                     | 1          |      |    | STRAPPER HEAD - RUBBER      | 1     | JOB | 175.00     |       | 175.00  |
| 330             |                                     | 1          |      |    | SWIFT MULTI-DAWSON STANDARD | 155   | SUS | 14.50      |       | 2247.50 |
| 276             |                                     | 1          |      |    | FLOCCE                      | 50    | US  | 1.25       |       | 62.50   |
| 290             |                                     | 1          |      |    | D-ADD                       | 2     | GAL | 32.00      |       | 64.00   |
| 581             |                                     | 1          |      |    | SERVICE CHARGE COMWT        | 200   | SUS | 1.10       |       | 220.00  |
| 583             |                                     | 1          |      |    | DAMAGE                      | 19970 | US  | 1.00       | 199.7 | 19970   |

**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 **6-19-07** TIME SIGNED **0900**  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    | 4298.70 |
| 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?                        |       |            |           | NESS TAX 5.3% | 156.30  |
| ARE YOU SATISFIED WITH OUR SERVICE?<br><input type="checkbox"/> YES <input type="checkbox"/> NO |       |            |           | TOTAL         | 4455.00 |
| <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  
**WAVE WATSON**

APPROVAL

Thank You!

**JOB LOG**

**SWIFT Services, Inc.**

DATE 6-19-07 PAGE NO. 7

CUSTOMER PALOMEDO PETROLEUM WELL NO. #1 LEASE VERMILION JOB TYPE CEMENT PORT COLLAR TICKET NO. 12215

| CHART NO. | TIME | RATE (BPM) | VOLUME (BBL) <del>(GAL)</del> | PUMPS |   | PRESSURE (PSI) |        | DESCRIPTION OF OPERATION AND MATERIALS |
|-----------|------|------------|-------------------------------|-------|---|----------------|--------|--|
|           |      |            |                               | T     | C | TUBING         | CASING |  |
|           | 0900 |            |                               |       |   |                |        | ON LOCATION                            |
|           |      |            |                               |       |   |                |        | 2 3/8 x 5 1/2<br>PORT COLLAR - 1838 KB |
|           | 1055 |            |                               |       | ✓ |                | 1000   | PSE TEST CASING - HELD                 |
|           | 1058 | 3          | 2                             | ✓     |   | 500            |        | OPEN PORT COLLAR - ZWT RATE            |
|           | 1100 | 4          | 86                            | ✓     |   | 450            |        | MIX CEMENT 155 SBA W/ADDITIVES         |
|           | 1135 | 3 1/2      | 6                             | ✓     |   | 500            |        | DISPLACE CEMENT                        |
|           | 1140 |            |                               |       | ✓ |                | 1000   | CLOSE PORT COLLAR - PSE TEST - HELD    |
|           |      |            |                               |       |   |                |        | CIRCULATE CEMENT TO PEST 10 SEP        |
|           | 1155 | 4          | 20                            |       | ✓ |                | 450    | RUN 4 JTS - CIRCULATE CLEAN            |
|           |      |            |                               |       |   |                |        | WASH MIXER                             |
|           |      |            |                               |       |   |                |        | PULL TOOL                              |
|           | 1230 |            |                               |       |   |                |        | JOB COMPLETE                           |
|           |      |            |                               |       |   |                |        | THANK YOU<br>WAGLE, DUSTY, ROB         |

RECEIVED  
KANSAS CORPORATION COMMISSION

AUG 27 2007

CONSERVATION DIVISION  
WICHITA, KS

RECEIVED

Allied Cementing Co., LLC  
24 S. Lincoln  
P.O. Box 31  
Russell, KS 67665

JUN 04 2007

\*\*\*\*\*  
\* I N V O I C E \*  
\*\*\*\*\*

Invoice Number: 108988

Invoice Date: 05/31/07

Sold Palomino Petroleum, Inc.  
To: 4924 SE 84th St.  
Newton, KS  
67114-8827

Cust I.D.....: Palo  
P.O. Number...: Vermillian #1  
P.O. Date.....: 05/31/07

Due Date.: 06/30/07  
Terms....: Net 30

Salesperson...:

| Item I.D./Desc. | Ordered | Unit | Price    | Net     | TX |
|-----------------|---------|------|----------|---------|----|
| Common          | 160.00  | SKS  | 11.1000  | 1776.00 | T  |
| Gel             | 3.00    | SKS  | 16.6500  | 49.95   | T  |
| Chloride        | 5.00    | SKS  | 46.6000  | 233.00  | T  |
| Handling        | 168.00  | SKS  | 1.9000   | 319.20  | E  |
| Mileage min.    | 1.00    | MILE | 250.0000 | 250.00  | E  |
| Surface         | 1.00    | JOB  | 815.0000 | 815.00  | E  |
| Mileage pmp trk | 16.00   | MILE | 6.0000   | 96.00   | E  |
| Head Rent       | 1.00    | PER  | 100.0000 | 100.00  | E  |
| Top wood        | 1.00    | EACH | 60.0000  | 60.00   | T  |

All Prices Are Net, Payable 30 Days Following  
Date of Invoice. 1 1/2% Charged Thereafter.  
If Account CURRENT take Discount of 369.91  
ONLY if paid within 30 days from Invoice Date

Subtotal: 3699.15  
Tax.....: 112.30  
Payments: 0.00  
Total...: 3811.45

RECEIVED  
KANSAS CORPORATION COMMISSION

AUG 27 2007

CONSERVATION DIVISION  
WICHITA, KS

# ALLIED CEMENTING CO., INC. 23920

Federal Tax I.D.#

REMIT TO P.O. BOX 31  
RUSSELL, KANSAS 67665

SERVICE POINT:  
At Bend

|  |                 |                                     |                 |                           |                            |                          |                           |
|--|-----------------|-------------------------------------|-----------------|---------------------------|----------------------------|--------------------------|---------------------------|
| DATE <u>5-29-07</u>                                      | SEC. <u>6</u>   | TWP. <u>17</u>                      | RANGE <u>24</u> | CALLED OUT <u>4:45 pm</u> | ON LOCATION <u>8:15 pm</u> | JOB START <u>8:30 pm</u> | JOB FINISH <u>9:00 pm</u> |
| LEASE <u>Warrenmillin</u>                                | WELL # <u>1</u> | LOCATION <u>Near city 9th 6th W</u> |                 |                           | COUNTY <u>Near</u>         | STATE <u>KS</u>          |                           |
| OLD OR <input checked="" type="radio"/> NEW (Circle one) |                 |                                     |                 |                           |                            |                          |                           |

CONTRACTOR Southwind Drilling #1  
 TYPE OF JOB Surface  
 HOLE SIZE 12 1/4 T.D. 226  
 CASING SIZE 8 5/8 DEPTH 226  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. 15  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 14

OWNER \_\_\_\_\_  
 CEMENT AMOUNT ORDERED \_\_\_\_\_  
160 Com 30/cc 2 1/2" Del.

|          |             |                 |              |                |
|----------|-------------|-----------------|--------------|----------------|
| COMMON   | <u>160</u>  | @               | <u>11.10</u> | <u>1776.00</u> |
| POZMIX   |             | @               |              |                |
| GEL      | <u>3</u>    | @               | <u>16.65</u> | <u>49.95</u>   |
| CHLORIDE | <u>5</u>    | @               | <u>46.60</u> | <u>233.00</u>  |
| ASC      |             | @               |              |                |
|          |             | @               |              |                |
|          |             | @               |              |                |
|          |             | @               |              |                |
|          |             | @               |              |                |
|          |             | @               |              |                |
| HANDLING | <u>168</u>  | @               | <u>1.90</u>  | <u>319.20</u>  |
| MILEAGE  | <u>14.9</u> | <u>168 min.</u> |              | <u>250.00</u>  |
| TOTAL    |             |                 |              | <u>2628.15</u> |

**REMARKS:**

New 20"  
circ 8 5/8 casing pump  
mix cement, cheap plug w/ 14 BBL  
cement did circ  
  
Thanks

**SERVICE**

|                   |            |   |               |                |
|-------------------|------------|---|---------------|----------------|
| DEPTH OF JOB      | <u>226</u> |   |               |                |
| PUMP TRUCK CHARGE |            |   | <u>815.00</u> |                |
| EXTRA FOOTAGE     |            | @ |               |                |
| MILEAGE           | <u>16</u>  | @ | <u>6.00</u>   |                |
| MANIFOLD          |            | @ |               |                |
| <u>head rent</u>  |            | @ | <u>100.00</u> |                |
|                   |            | @ |               |                |
| TOTAL             |            |   |               | <u>1011.00</u> |

CHARGE TO: Palomiro Pet  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**PLUG & FLOAT EQUIPMENT**

|                      |   |              |              |
|----------------------|---|--------------|--------------|
| <u>8 5/8 Topwood</u> | @ | <u>60.00</u> |              |
|                      | @ |              |              |
|                      | @ |              |              |
|                      | @ |              |              |
|                      | @ |              |              |
| TOTAL                |   |              | <u>60.00</u> |

To Allied Cementing Co., Inc.  
 You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

Good Job!  
Thanks

SIGNATURE Doug Robert

TAX \_\_\_\_\_  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS  
Doug Roberts  
 PRINTED NAME