

ORIGINAL

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION**

Form ACO-1
October 2008
Form Must Be Typed

**WELL COMPLETION FORM
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 # 5184

Name: Shields Drilling Company, Inc.

Wellsite Geologist: Robert A. Schreiber

Purchaser: NCRA

Designate Type of Completion:

- New Well _____ Re-Entry _____ Workover
 - Oil _____ SWD _____ SIOW
 - _____ 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.: _____

<u>6/1/09</u>	<u>6/11/09</u>	<u>6/11/09</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-063-21775-0000

Spot Description: _____

NE SW NW NW Sec. 4 Twp. 15 S. R. 26 East West

960 Feet from North / South Line of Section

360 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE NW SE SW

County: Gove

Lease Name: McCartee Well #: 1

Field Name: None (Wildcat)

Producing Formation: LKC

Elevation: Ground: 2330 Kelly Bushing: 2335

Total Depth: 4312 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: 223 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: 1765 Feet

If Alternate II completion, cement circulated from: 1765

feet depth to: surface w/ 165 sx cmt.

Drilling Fluid Management Plan AH II NCR 10-5-09
(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

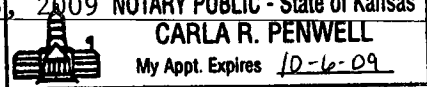
Title: President Date: September 24, 2009

Subscribed and sworn to before me this 24th day of September

20 09

Notary Public: Carla R. Penwell
Carla R. Penwell

Date Commission Expires: October 6, 2009 NOTARY PUBLIC - State of Kansas



KCC Office Use ONLY

N Letter of Confidentiality Received **RECEIVED**

If Denied, Yes Date: _____ **KANSAS CORPORATION COMMISSION**

Wireline Log Received **SEP 28 2009**

Geologist Report Received **CONSERVATION DIVISION**

_____ UIC Distribution **WICHITA, KS**

Operator Name: Palomino Petroleum, Inc. Lease Name: McCarter Well #: 1
 Sec. 4 Twp. 15 S. R. 26 East West County: Gove

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 <i>(Attach Additional Sheets)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Anhy.	1793	(+ 542)
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Base Anhy.	1832	(+ 503)
List All E. Logs Run:		Topeka	3345	(-1010)
Radiation Guard ✓		Heebner	3577	(-1242)
		Toronto	3600	(-1265)
		LKC	3616	(-1281)
		BKC	3908	(-1573)

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"	24#	223'	Common	150	2% gel, 3% c.c.
Production	7 7/8"	5 1/2"	14#	4307'	SMD	25	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 <i>(Amount and Kind of Material Used)</i>	Depth
4	3866-3870		
4	3894-3898	250 gal. 20% mud acid	
4	4198-4202	350 gal. 20% mud acid	
4	4202-4206	350 gal. 20% mud acid, 10% Xylene	

TUBING RECORD: Size: 2 7/8" Set At: 4284' Packer At: _____ Liner Run: Yes No

Date of First, Resumed Production, SWD or Enhr. 7/23/09 Producing Method: Flowing Pumping Gas Lift Other (Explain)

Estimated Production Per 24 Hours	Oil Bbls. <u>53% 20</u>	Gas Mcf	Water Bbls. <u>47% 18</u>	Gas-Oil Ratio
-----------------------------------	-------------------------	---------	---------------------------	---------------

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) _____	RECEIVED Gravity KANSAS CORPORATION COMMISSION PRODUCTION INTERVAL SEP 28 2009 CONSERVATION DIVISION WICHITA, KS
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LOGS

Marmaton	3939	(-1604)
Pawnee	4046	(-1711)
Ft. Scott	4109	(-1774)
Cherokee Sh.	4134	(-1799)
Rew. Miss.	4190	(-1855)
Miss.	4198	(-1863)
LTD	4312	(-1977)

RECEIVED
KANSAS CORPORATION COMMISSION
SEP 28 2009
CONSERVATION DIVISION
WICHITA, KS

SWIFT



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



Invoice

DATE	INVOICE #
7/17/2009	16586

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

RECEIVED

JUL 22 2009

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	McCartee	Gove	DS&W Well Servi...	Oil	Development	Acidize Formation	Dusty
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way				40	Miles	5.00	200.00
501D	Acid Pump Charge				1	Job	600.00	600.00
303 - 15%	MCA Acid				250	Gallons	1.85	462.50
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00
235	INH.1 ESA-28				0.5	Gallon(s)	35.00	17.50
249	STR-1 (Pen 88)				1	Gallon(s)	35.00	35.00
	Subtotal							1,365.00
	Sales Tax Gove County						7.05%	0.00
Thank You For Your Business!						Total	\$1,365.00	

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KANSAS CORPORATION COMMISSION
SEP 28 2009
CONSERVATION DIVISION
WICHITA, KS



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

RECEIVED
 KANSAS CORPORATION COMMISSION
 SEP 28 2009
 CONSERVATION DIVISION
 WICHITA, KS

TICKET No 16586

PAGE 1 OF 1

SERVICE LOCATIONS
 1. **NESS CITY KS**

WELL/PROJECT NO. **1** LEASE **M^cCARTZEE** COUNTY/PARISH **GOVE CO.** STATE **KS.** CITY **UTICA KS.** DATE **071709** OWNER

TICKET TYPE SERVICE SALES CONTRACTOR **DS&W** RIG NAME/NO. **JIM** SHIPPED VIA DELIVERED TO **30.10N. 12.1N ENT** ORDER NO.

WELL TYPE **OIL WELL** WELL CATEGORY **DEVELOPMENT** JOB PURPOSE **ACEDIZE FORMATION** WELL PERMIT NO. WELL LOCATION **UTICA KS, 30.10N. 12.1N ENT**

REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
500		1			MILEAGE 107	1	@	40	ml	5.00	200.00
501		1			ACED PUMP CHARGE	1	@			600.00	600.00
303		1			MCA ACED	250	gal	15	PTG	1.85	462.50
221		1			LEQUID KLL	2	gal			25.00	50.00
235		1			INJECT-1	1/2	gal			35.00	17.50
279		1			STR-1	1	gal			35.00	35.00

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 Shreiber*

DATE SIGNED **071709** TIME SIGNED **13.30** 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?				1365.00
WE UNDERSTOOD AND MET YOUR NEEDS?				
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				Gove TAX 7.05%
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO		TOTAL 1365.00
<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 *DUSTY D. FULLER* APPROVAL

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE **8/21/09** PAGE NO. **1**

CUSTOMER: **PALOMINO PETROLEUM** WELL NO. **#1** LEASE **MC CARTEE** JOB TYPE **ACIDIZE FORMATION** TICKET NO. **16586**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1240							ON LOC. 55 ¹ / ₂ W TAGLINA FURED
								TAG 2200' PERFS. 3894-98 16' .3808 Bbl
								FED. 1700 SPOT 3900' 7.939 Bbl
								2 7/8 x 5 1/2 TREAT 3882 15.02 334 Bbl
								CAPACITY 15.40414
	1248	3	8.5	✓		VAL		SPOT ACID
	1259	3.2	8.75	✓		0		START PUMPEN
	1301	0	14	✓		VAL		SAUT DOWN LET LOAD
		0	17			VAL		
	1304	1.64	17.75	✓		300		
		1.75				400		
		1.9				500		
	1305	1	18.5			600		
		1.1				600		
	1308	1.2	22.75			550		BREAK PRESS DROP.
	1310	1.2	24			VAL		INSTANT
								RTU DOWN
								TICKETS
	1329							JOB COMPLETED
								THANK YOU DUSTY & JEFF

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SEP 28 2009

ERVATION DIVISION
WICHITA, KS

SWIFT



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



Invoice

DATE	INVOICE #
7/16/2009	16539

BILL TO

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

RECEIVED

SEP 28 2009

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	McCartee	Gove	DS&W Well Servi...	Oil	Development	Acidize	Blaine

PRICE REF.	DESCRIPTION	QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way	50	Miles	5.00	250.00
501D	Acid Pump Charge	1	Job	600.00	600.00
303 - 20%	MCA Acid	350	Gallons	2.25	787.50
226	Xylene	35	Gallon(s)	7.00	245.00
235	INH.1 ESA-28	1	Gallon(s)	35.00	35.00
221	Liquid KCL (Clayfix)	2	Gallon(s)	25.00	50.00
	Subtotal				1,967.50
	Sales Tax Gove County			7.05%	0.00

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KANSAS CORPORATION COMMISSION
SEP 28 2009
CONSERVATION DIVISION
WICHITA, KS

We Appreciate Your Business!

Total

\$1,967.50



CHARGE TO: Palamino Petroleum
 ADDRESS:
 CITY, STATE, ZIP CODE:

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 KANSAS CORPORATION COMMISSION
 SEP 28 2009
 CONSERVATION DIVISION
 WICHITA, KS

TICKET No 16539

PAGE 1 OF 1

SERVICE LOCATIONS
 1. NESS CITY KS WELL/PROJECT NO. 41 LEASE McCartee COUNTY/PARISH Gore STATE KS CITY DATE 16 Jul 09 OWNER
 2. TICKET TYPE SERVICE SALES CONTRACTOR DSW RIG NAME/NO. SHIPPED VIA DELIVERED TO location ORDER NO.
 3. WELL TYPE oil well WELL CATEGORY Development JOB PURPOSE acidize WELL PERMIT NO. WELL LOCATION Quinter Road Bridge 1E 1N
 4. REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF								
500		1			MILEAGE 50 mi TRUCK 109	50	mi			5.00	250	00
501		1			ACID PUMP charge	1	ea			600.00	600	00
303		1			MCA 20%	350	gal			2.25	787	50
226		1			Xylene	35	gal			7.00	245	00
235		1			1N418-1	1	gal			35.00	35	00
221		1			Liquid KCL	2	gal			25.00	50	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 [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
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				1967.50
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 1967.50

Gore TAX 7.05%

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

SWIFT OPERATOR ABCwell APPROVAL

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 16 JUN 09 PAGE NO. 1

CUSTOMER Palaming Petroleum WELL NO. 1 LEASE McCarty ~~McCartee~~ JOB TYPE Acidize reefs TICKET NO. 16539

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
								350 gal 20% MCA TRK #109 19 ^{BBL} gal KCL water (2 gal KCL) 2 3/4 x 5 1/2 Reefs 4198-4206 Packer w/ tail pipe to 4206 2550 to fluid
	1045							on location - tag fluid
	1100		8 bbl					spot acid
	1110	1/8	17 1/2			100		load tubing pump 1/8 bbl minute - pressure rising slowly
	1115		18 1/2			400		
	1120	1/2				500		increase to 1/2 bpm
	1130	3/8	19 1/2			750		Reduce to 3/8 bpm
	1141					900		kick out pump - dropped 100 pounds in 55 sec Resume pumping at 3/8 bpm
	1155	1/8	23			1000		stage at 1000 lbs
	1204	1/8	25 1/2			1000		shut down ISIP = 1000
								5 mi 775 10 650 15 600
								Released 2 1/2 back
								Back up
								Plents Rger & Blaine

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SEP 28 2009

CONSERVATION DIVISION
WICHITA, KS

SWIFT



Services, Inc.

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



Invoice

DATE	INVOICE #
7/13/2009	15984

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

RECEIVED

JUL 15 2009

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	McCartee	Gove	DS&W Well Servi...	Oil	Development	Acid	Don
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way				40	Miles	5.00	200.00
501D	Acid Pump Charge				1	Job	600.00	600.00
303 - 20%	MCA Acid				350	Gallons	2.25	787.50
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00
226	Xylene				35	Gallon(s)	7.00	245.00
235	INH.1 ESA-28				1	Gallon(s)	35.00	35.00
249	STR-1 (Pen 88)				1	Gallon(s)	35.00	35.00
	Subtotal							1,952.50
	Sales Tax Gove County						7.05%	0.00

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KANSAS CORPORATION COMMISSION

SEP 28 2009

CONSERVATION DIVISION
WICHITA, KS

Thank You For Your Business!

Total

\$1,952.50



CHARGE TO: *Reformid Petroleum*
 ADDRESS:
 CITY, STATE, ZIP CODE:

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 KANSAS CORPORATION COMMISSION
 SEP 28 2009
 CONSERVATION DIVISION
 WICHITA, KS

TICKET No 15984

PAGE 1 OF 1

SERVICE LOCATIONS
 1. *Days, Ks*
 2. *Ness City, Ks*
 3.
 4. REFERRAL LOCATION

WELL/PROJECT NO. *# 1*
 LEASE *McCartee*
 COUNTY/PARISH *Gove*
 STATE *Ks.* CITY
 DATE *7-13-09* OWNER

TICKET TYPE SERVICE SALES
 CONTRACTOR *D SKL*
 RIG NAME/NO.
 SHIPPED VIA *CT* DELIVERED TO *S/Quiter, Ks*
 ORDER NO.

WELL TYPE *Oil* WELL CATEGORY *Wildcat* JOB PURPOSE *Acid*
 WELL PERMIT NO. WELL LOCATION

INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
<i>500</i>		<i>1</i>			<i>MILEAGE # 113</i>	<i>40</i>	<i>mi</i>			<i>500</i>	<i>200.00</i>
<i>501</i>		<i>1</i>			<i>Acid Pump Charge</i>	<i>1</i>	<i>hr</i>			<i>600.00</i>	<i>600.00</i>
<i>303</i>		<i>1</i>			<i>MCA Acid</i>	<i>350</i>	<i>gal</i>	<i>20%</i>		<i>2.25</i>	<i>787.50</i>
<i>221</i>		<i>1</i>			<i>Liquid KCL</i>	<i>2</i>	<i>gal</i>			<i>25.00</i>	<i>50.00</i>
<i>226</i>		<i>2</i>			<i>Xylene - (Loaded @ Ness City)</i>	<i>35</i>	<i>gal</i>	<i>10%</i>		<i>7.00</i>	<i>245.00</i>
<i>235</i>		<i>1</i>			<i>Tubing - 1</i>	<i>1</i>	<i>hr</i>			<i>35.00</i>	<i>35.00</i>
<i>249</i>		<i>1</i>			<i>SFR-1-</i>	<i>1</i>	<i>gal</i>			<i>35.00</i>	<i>35.00</i>

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 Schuster*
 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
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				<i>1952.50</i>
WE UNDERSTOOD AND MET YOUR NEEDS?				
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				<i>Gove TAX 7.05%</i>
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL <i>1952.50</i>
<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 *Don Summer* APPROVAL

Thank You!

JOB LOG

CUSTOMER *Valencia Petroleum* WELL NO. *#1* LEASE *McCartee* JOB TYPE *Acid* *15984*

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1400					2 3/8	5 1/2	On location - Rig Swabbing Set up TRK Consult Job. Ports (Open Hole) 4198'-4206' Tag F.L. @ 2500' HOF 1708 Spot 8 1/2 BBI @ 4208' 20% MCA Acid Fin spot - 350 GAL 20% MCA Acid Set PKR @ 4175' Start H ₂ O Displ. 16tz = 18 BBI Let pack on its own Loaded - Slow Uae St pumping 8 Stage 500/200/300 Fin H ₂ O Uae - 1 min. Job Complete
	1415		8 1/2					
	1425							
			15					
			19 1/2			Loaded		
	1450	D to 1/2				500/200		
	1509		27			500		
	1510		6			Uae		
	1530							

Thanks
Don J. Dang

RECEIVED
KANSAS CORPORATION COMMISSION
SEP 28 2008
CONSERVATION DIVISION
WICHITA, KS

SWIFT



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

RECEIVED

JUL 11 2009

Invoice

DATE	INVOICE #
7/8/2009	16332

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	McCartee	Gove	DS&W Well Servi...	Oil	Development	Cement Port Collar	Wayne
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				50	Miles	5.00	250.00
576D-D	Pump Charge - Port Collar - 1765 Feet				1	Job	1,100.00	1,100.00
288	Sand (20/40 Brady)				1	Sack(s)	22.00	22.00T
105	Port Collar Tool Rental With Man				1	Each	300.00	300.00T
330	Swift Multi-Density Standard (MIDCON II)				160	Sacks	14.00	2,240.00T
276	Flocele				50	Lb(s)	1.50	75.00T
290	D-Air				2	Gallon(s)	35.00	70.00T
581D	Service Charge Cement				200	Sacks	1.50	300.00
583D	Drayage				499.25	Ton Miles	1.00	499.25
	Subtotal							4,856.25
	Sales Tax Gove County						7.05%	190.84

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SEP 28 2009
CONSERVATION DIVISION
WICHITA, KS

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Total \$5,047.09



CHARGE TO: PALOMINO PETROLEUM
 ADDRESS:
 CITY, STATE, ZIP CODE:

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 WICHITA, KS

TICKET No 16332

PAGE 1 OF 1

SERVICE LOCATIONS: 1. NESS CITY, KS

WELL/PROJECT NO. #1 LEASE MFCORTEE COUNTY/PARISH GOVE STATE KS CITY DATE 7-8-09 OWNER SAME

TICKET TYPE: SERVICE SALES CONTRACTOR DS-W RIG NAME/NO. SHIPPED VIA CT DELIVERED TO LOCATION ORDER NO.

WELL TYPE OIL WELL CATEGORY DEVELOPMENT JOB PURPOSE CEMENT PORT COLLAR WELL PERMIT NO. WELL LOCATION S/QUENTON KS - IN ROAD, IE, W

REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE # 114	90				5.00	250.00
576D		1			PUMP CHARGE	1		1765	FT	1100.00	1100.00
288		1			SACK SAND	1			SK	22.00	22.00
105		1			PORT COLLAR OPENING TOOL	1			JOB	300.00	300.00
330		1			SWIFT MULTI-DENSITY STAINLESS	160			SKS	14.00	2240.00
276		1			FLOCCS	50			BS	1.50	75.00
290		1			D-ADR	2			Gal	35.00	70.00
581		1			SERVICE CHARGE CEMENT	200			SKS	1.50	300.00
583		1			DRAVAGE	19970		499.25	TM	1.00	499.25

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 7-8-09 TIME SIGNED 1430

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?				4856.25
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

Govt TAX 7.05% 190.84

TOTAL 5047.09

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

SWIFT OPERATOR: *WAVIE WILSON* APPROVAL: _____

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 7-8-09 PAGE NO. 1

CUSTOMER PALOMINO PEROLEUM WELL NO. #1 LEASE MCCARTEE JOB TYPE CEMENT PORT COLLAR TICKET NO. 16332

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL/DAY)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1430							OJ LOCATION
								2 3/8 x 5 1/2 RBP = 3725' PORT COLLAR = 1765
	1520	5	95		✓	1000		LOAD HOLE - TEST RBP - HELD = 3650
	1540		10		✓			SPOT / SK SAND
	1650	3	2		✓	350		OPEN PORT COLLAR - INT RATE
	1655	4 1/4	89		✓	400		MAX CEMENT 160 SKS SAND 1/4" FIBRE P/SK
	1720	4 1/2	6		✓	600		DISPLACE CEMENT
	1725				✓	1000		CLOSE PORT COLLAR - PSE TEST - HELD
								CIRCULATED 20 SKS CEMENT TO PRT
	1740	4	25		✓	500		RUN 4 JTS - CIRCULATE CLEAN
								WASH TRUCK
	1830	4	40		✓	500		RUN TUBING - CIRCULATE SAND OFF RBP LEAVE SET - SWAB DOWN 7-9-09
	1930							JOB COMPLETE

THANK YOU
WAYNE, BRETT, ROB

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WICHITA, KS

SWIFT



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



Invoice

DATE	INVOICE #
7/1/2009	16518

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

RECEIVED

SEP 06 2009

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	McCartee	Gove	DS&W Well Servi...	Oil	Development	Acidize Formation	Dusty
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way				40	Miles	5.00	200.00
501D	Acid Pump Charge				1	Job	600.00	600.00
303 - 20%	MCA Acid				250	Gallons	2.25	562.50
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00
235	INH.1 ESA-28				1	Gallon(s)	35.00	35.00
249	STR-1 (Pen 88)				1	Gallon(s)	35.00	35.00
	Subtotal							1,482.50
	Sales Tax Gove County						7.05%	0.00

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Total

\$1,482.50



CHARGE TO: PALMENO PETROLEUM
 ADDRESS:
 CITY, STATE, ZIP CODE:

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CONSERVATION DIVISION
 WICHITA, KS

TICKET No 16518

PAGE 1 OF 1

SERVICE LOCATIONS
 1. NESS CITY KS
 2.
 3.
 4.

WELL/PROJECT NO. #1
 LEASE MC CARRIE
 COUNTY/PARISH GOOSE CO.
 STATE KS
 CITY UTICA KS
 DATE 070109
 OWNER

TICKET TYPE SERVICE SALES
 CONTRACTOR DS & W
 RIG NAME/NO. JEM
 SHIPPED VIA
 DELIVERED TO 3RD, 10N, 1E, 1N ENTO
 ORDER NO.

WELL TYPE DEWELL
 WELL CATEGORY DEVELOPMENT
 JOB PURPOSE ACIDIZE FORMATION
 WELL PERMIT NO.
 WELL LOCATION UTICA KS

REFERRAL LOCATION
 INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF								
500		1			MILEAGE 104	1	@	40	ML	5.00	200	.00
501		1			ACID Pump CHARGE	1	@			600.00	600	.00
303		1			MCA ACID	250	gal	20	70	2.25	562	.50
221		1			LICWED KCL	2	gal			25.00	50	.00
235		1			INHIB-1	1	gal			35.00	35	.00
249		1			STR-1	1	gal			35.00	35	.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
 DATE SIGNED 070109 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
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				1482.50
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 1482.50

Gove TAX 7.05%

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

SWIFT OPERATOR DUSTY D. FALK APPROVAL

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 070109 PAGE NO. 1

CUSTOMER **PALOMENO PETROLEUM** WELL NO. **#1** LEASE **M^c CARTER** JOB TYPE **ACIDIZING FORMATION** TICKET NO. **16578**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1130							DN LOCATION DS 1/2 W WAITING TAN 5' PERFS. 4198-4202 KICK IN TOP 34', 8092 Bbl 38', 9044 Bbl, BITUM SPOT NONE 2 3/8 x 5 1/2 TREAT 4164 16.11 468 Bbl CAPACITY TOP PNF. 16.92388 Bbl BITUM PERFS 17.01908 063009 - Dump Job 250 gal ACID 10.75 Bbl FLUSH LOADED TUBING. CLOSED IN TO LET SOAK OURNITE. SLIGHT VACUUM. 070107 - 500# PRESSURE IN TUBING. FLUED N2MR SURFACE. SWABED TOTAL OF 300' GOT SOME RAW ACID BACK
	1135	2.5	1	✓		0		START JOB
	1137	1.6	6	✓		0		DN FLUSH
	1140	1.5	13	✓		100		LOADED
	1142	1.5	13	✓		250		STABILIZ. SLIGHT DROP
	1159	1.5	13	✓		500		" " "
	1210	.	13	✓		750		" 100# @ 3 1/2 MIN
	1221		13	✓		850		"
	1233		13	✓		1000		"
	1258		13.25	✓		1000		" 100# @ 2 MIN 45 SEC.
	1452		13.75	✓		1250		" 100# @ 3 MIN 40 SEC
								" 200# @ 10 MIN
	1530		13.75	✓		1400		" 100# @ 3 MIN 45 SEC
								200# @ 10 MIN 22 SEC.
	1545		13.75			1100		CLOSED IN RTG DOWN TICKET
	1400							JOB COMPLETED
								THANK YOU DUSY! JEFF

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WICHITA, KS



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

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JUL 02 2009

Invoice

DATE	INVOICE #
6/30/2009	16517

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	McCartee	Gove	DS&W Well Servi...	Oil	Development	Acid Dump	Dusty
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way				40	Miles	5.00	200.00
502	Delivery Charge (4 Hour Minimum)				4	Hours	60.00	240.00
303 - 20%	MCA Acid				250	Gallons	2.25	562.50
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00
235	INH.1 ESA-28				1	Gallon(s)	35.00	35.00
249	STR-1 (Pen 88)				1	Gallon(s)	35.00	35.00
	Subtotal							1,122.50
	Sales Tax Gove County						7.05%	0.00

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 WICHITA, KS

We Appreciate Your Business!	Total	\$1,122.50
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CHARGE TO:
PALOMINO PETROLEUM
 ADDRESS
 CITY, STATE, ZIP CODE

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 SEP 28 2009

TICKET
 No. **16517**

PAGE **1** OF **1**

CONSERVATION DIVISION No. **16517**
 WICHITA, KS

SERVICE LOCATIONS 1. NESS CITY KS	WELL/PROJECT NO. #1	LEASE M^c CARTER	COUNTY/PARISH GOVE Co	STATE KS.	CITY WITCHITA KS.	DATE 06 30 09	OWNER
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR D S C W	RIG NAME/NO. Jim	SHIPPED VIA	DELIVERED TO 4W. B.B. 10N. R6F, 1E (B74 IN) TO LOC.	ORDER NO.	
3.	WELL TYPE OIL Well	WELL CATEGORY DEVELOPMENT	JOB PURPOSE Acid Dump	WELL PERMIT NO.	WELL LOCATION 4W, 10N, 1E, 1W ENTO		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT	
		LOC	ACCT	DF			UM		UM		
500		1			MILEAGE 104	1	0	40	ML	5.00	200.00
502		1			DELIVERY CHARGE	1	0	4	HR	60.00	240.00
303		1			MCA ACID	250	gal	20	70	2.25	562.50
221		1			LIQUID KCL	2	gal			25.00	50.00
235		1			TWMB-1	1	gal			35.00	35.00
249		1			STR-1	1	gal			35.00	35.00
					Acid Dump						

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

DATE SIGNED **063009** TIME SIGNED **1559** 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
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 checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND			

PAGE TOTAL	1122.50
Gove TAX 7.05%	
TOTAL	1122.50

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

SWIFT OPERATOR **DUSTY D. FULK** APPROVAL

Thank You!

Quality Oilwell Cementing Inc.

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

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JUN 04 2009

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Date	Invoice #
6/3/2009	1625

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

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
150	common		
3	GEL	10.00	1,500.00T
5	Calcium	17.00	51.00T
158	handling	42.00	210.00T
1	MILEAGE CHARGE	1.75	276.50
1	8 5/8 wooden plug	250.00	250.00
1	surface pipes 0-500ft	69.00	69.00T
38	pump truck mileage charge	400.00	400.00
366	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	6.00	228.00
231	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-366.00T
		-1.00	-231.00
	LEASE: MCCARTEE WELL #1		
	Gove county Sales Tax	7.05%	103.21
Total			\$2,490.71

Thank you for your business. Dave

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WICHITA, KS

QUALITY OILWELL CEMENTING, INC.

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

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

No. 3163

Date	Sec.	Twp.	Range	County	State	On Location	Finish
6-26-09	4	13	26	Cherokee	Kansas		2:00pm
Lease M. (handwritten)	Well No. 1	Location (handwritten)					
Contractor (handwritten)				Owner			
Type Job (handwritten)				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 (handwritten)		T.D. (handwritten)		Charge To (handwritten)			
Csg. (handwritten)		Depth (handwritten)		Street			
Tbg. Size		Depth		City			
Drill Pipe		Depth		State			
Tool		Depth		The above was done to satisfaction and supervision of owner agent or contractor.			
Cement Left in Csg. (handwritten)		Shoe Joint		CEMENT			
Press Max.		Minimum		Amount Ordered 150 com 3 1/2" x 2 3/8" (handwritten)			
Meas Line		Displace (handwritten)		Common 150 @ 10.00 (handwritten)		1500.00	
Perf.				Poz. Mix			
EQUIPMENT				Gel. 3 @ 17.00 (handwritten)		51.00	
Pumptrk 1	No.	Cementer		Calcium 5 @ 42.00 (handwritten)		210.00	
		Helper		RECEIVED KANSAS CORPORATION COMMISSION SEP 28 2009 CONSERVATION DIVISION WICHITA, KS			
Bulktrk 7	No.	Driver					
Bulktrk	No.	Driver					
JOB SERVICES & REMARKS				Salt			
Pumptrk Charge Surface (handwritten)				400.00			
Mileage 38 @ 6.00 (handwritten)				228.00			
Footage							
Total				628.00			
Remarks:				Handling 158 @ 1.75 (handwritten)		276.50	
				Mileage		250.00	
				Pump Truck Charge		628.00	
				FLOAT EQUIPMENT			
				Guide Shoe			
				Centralizer			
				Baskets			
				AFU Inserts			
				Rotating Head			
				Squeeze Mainfold			
						Tax 103.21	
						Discount (597.00)	
						Total Charge 2490.71	

X Signature

Company **Palomino Petroleum, Inc.**
 Address **4924 SE 84th St.**
 CSZ **Newton, KS 67114**
 Attn. **Klee R. Watchous**

Lease Name **McCartee**
 Lease # **1**
 Legal Desc **NE SW NW NW**
 Section **4**
 Township **15S**
 County **Gove**
 Drilling Cont **Shields Rig #2**

Job Ticket **6017**
 Range **26W**
 State **KS**

Comments **Times : 30 - 30 - 30 - 30**

GENERAL INFORMATION

Test # **1** Test Date **6/8/2009**
 Tester **Richard Holtz**
 Test Type **Conventional Bottom Hole Successful Test**

Chokes **3/4** Hole Size **7 7/8**
 Top Recorder # **W1023**
 Mid Recorder #
 Bott Recorder # **13564**

of Packers **2.0** Packer Size **6 3/4**

Mileage **200** Approved By

Mud Type **Gel Chem**
 Mud Weight **8.9** Viscosity **47.0**
 Filtrate **7.2** Chlorides **2700**

Standby Time **0**
 Extra Equipmnt
 Time on Site **12:00 AM**
 Tool Picked Up **12:00 AM**
 Tool Layed Dwn **12:00 AM**

Drill Collar Len **0**
 Wght Pipe Len **390.0**

Elevation **2330.00** Kelley Bushings **2335.00**

Formation **Lansing H-J**
 Interval Top **3764.0** Bottom **3849.0**
 Anchor Len Below **85.0** Between **0**
 Total Depth **3849.0**

Start Date/Time **6/8/2009 3:14 AM**
 End Date/Time **6/8/2009 10:46 AM**

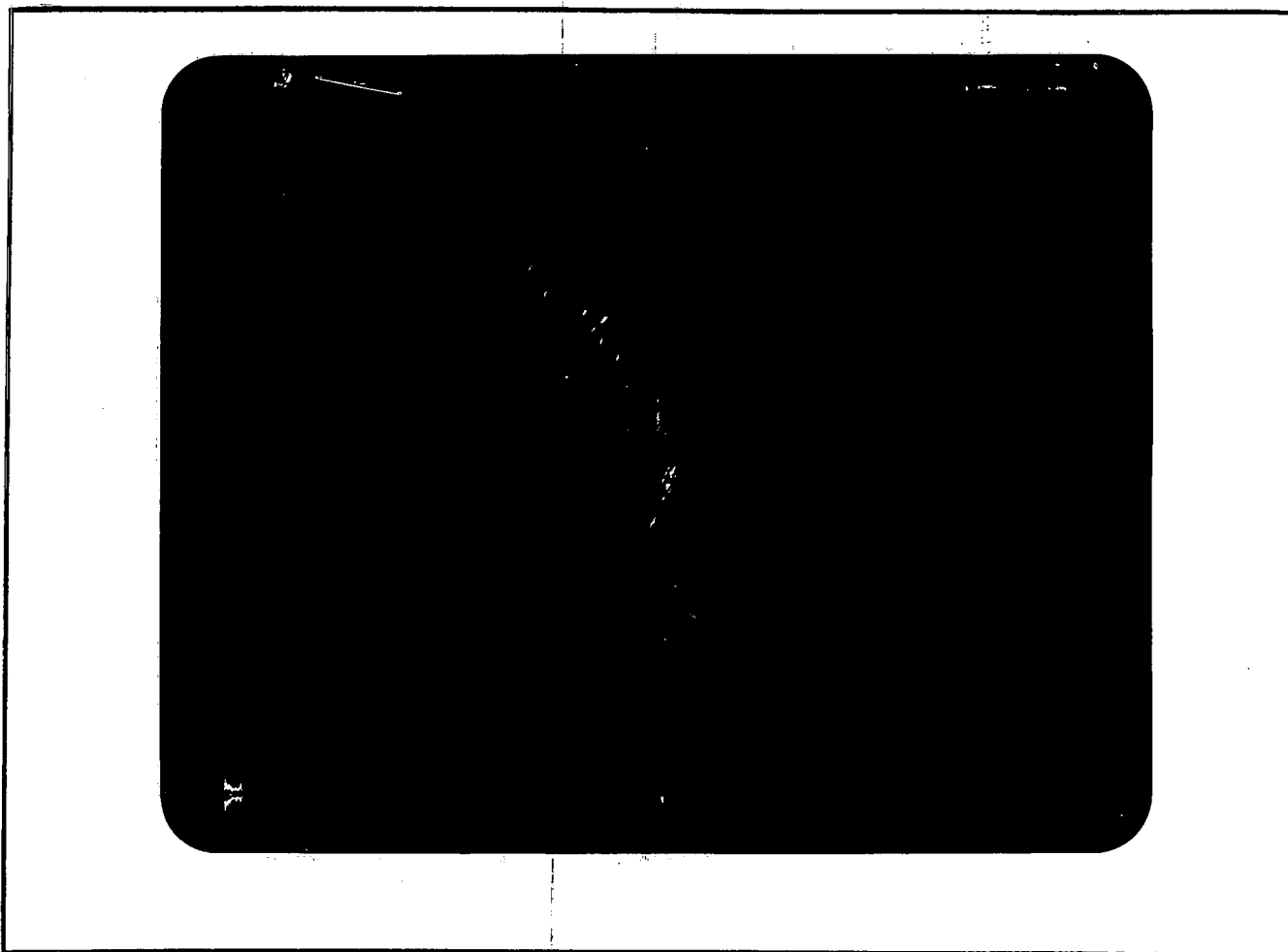
Blow Type **Initial Flow, weak blow building to strong, BOB in 8 min. Weak blow back on shut in. Final Flow, weak blow building to strong. BOB in 11 min. Weak blow back on shut in.**

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
120	Gas in pipe	100% 120ft	0% 0ft	0% 0ft	0% 0ft
248	gassy oil and mud cut water	20% 49.6ft	20% 49.6ft	32% 79.4ft	28% 69.4ft
440	gassy oil and mud cut water	14% 61.6ft	7% 30.8ft	59% 259.6ft	20% 88ft

DST Fluids **56000**

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This is an actual photograph of recorder chart.

POINT	PRESSURE	
	Field Reading	Office Reading
(A) Initial Hydrostatic Mud		2037 PSI
(B) First Initial Flow Pressure		52 PSI
(C) First Final Flow Pressure		85 PSI
(D) Initial Closed-in Pressure		1242 PSI
(E) Second Initial Flow Pressure		85 PSI
(F) Second Final Flow Pressure		96 PSI
(G) Final Closed-in Pressure		1233 PSI
(H) Final Hydrostatic Mud		1930 PSI

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CONSERVATION DIVISION
WICHITA, KS

Company Palomino Petroleum, Inc.
 Address 4924 SE 84th St.
 SZ Newton, KS 67114
 City Klee R. Watchous

Lease Name **McCartee**
 Lease # **1**
 Legal Desc **NE SW NW NW**
 Section **4**
 Township **15S**
 County **Gove**
 Drilling Cont **Shields Rig #2**
 Job Ticket **6017**
 Range **26W**
 State **KS**

Comments Times : 30 - 30 - 15 - 5

GENERAL INFORMATION

Test # 2 Test Date **6/8/2009**
 Tester **Richard Holtz**
 Test Type **Conventional Bottom Hole**
 Status **Successful Test**
 No. of Packers **2.0** Packer Size **6 3/4**
 Fluid Type **Gel Chem**
 Fluid Weight **8.9** Viscosity **47.0**
 Filtrate **7.2** Chlorides **2700**

Chokes **3/4** Hole Size **7 7/8**
 Top Recorder # **W1023**
 Mid Recorder # **W1127**
 Bottom Recorder # **13564**

Mileage **50** Approved By
 Standby Time **0**
 Extra Equipment
 Time on Site **12:00 AM**
 Tool Picked Up **12:00 AM**
 Tool Layed Dwn **12:00 AM**

Drill Collar Len **0**
 Weight Pipe Len **390.0**

Elevation **2330.00** Kelley Bushings **2335.00**

Formation **Lansing K**
 Interval Top **3850.0** Bottom **3890.0**
 Anchor Len Below **40.0** Between **0**

Start Date/Time **6/8/2009 3:14 AM**
 End Date/Time **6/8/2009 10:46 AM**

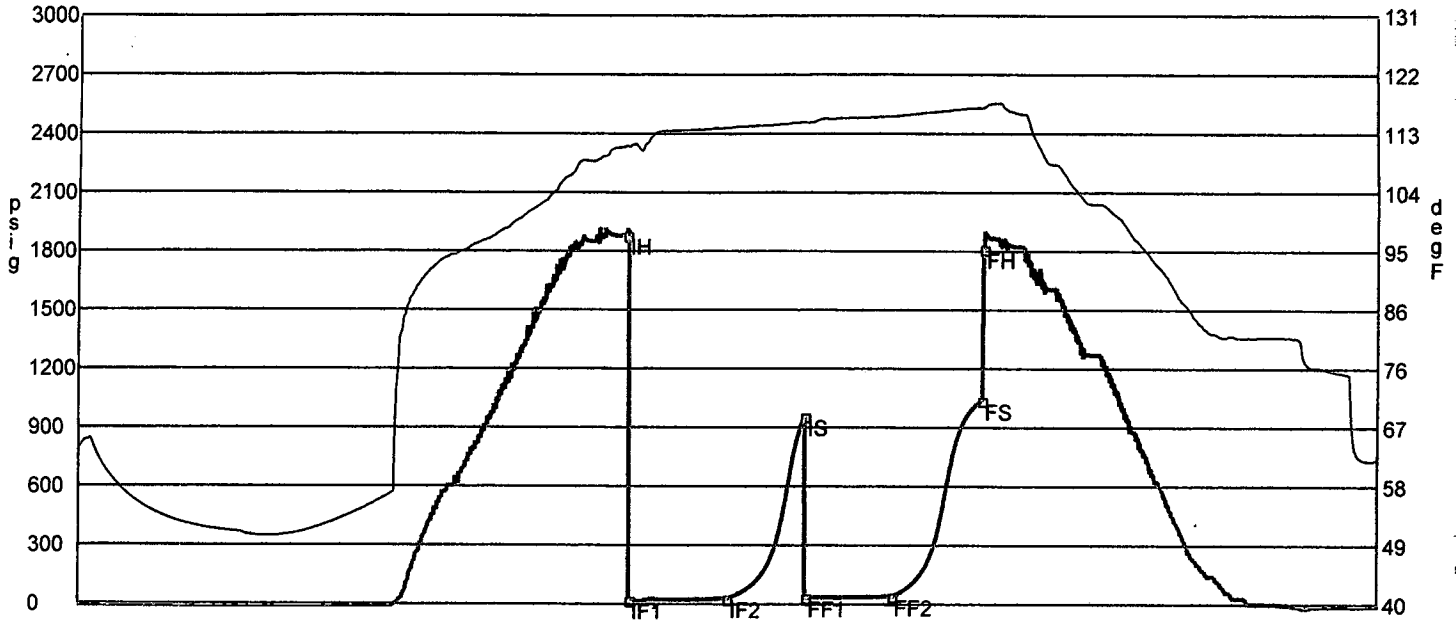
Total Depth **3890.0**
 Flow Type **Initial Flow, weak blow building to 10 in.. No blow back on shut in. Final Flow , weak blow building to strong, BOB in 15 min. No blow back on shut in.**

RECOVERY

Set	Description	Gas	Oil	Water	Mud
50	Gas in pipe	100% 550ft	0% 0ft	0% 0ft	0% 0ft
50	Gassy oil cut mud	14% 12.6ft	37% 33.3ft	0% 0ft	49% 44.1ft

ST Fluids **0**

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 CONSERVATION DIVISION
 WICHITA, KS



	Date	Time	Pressure	Temp	
IH	6/8/2009 6:23:45 AM	3.1625	1880.982	110.909	Initial Hydro-static
IF1	6/8/2009 6:24:45 AM	3.179167	21.251	110.764	Initial Flow (1)
IF2	6/8/2009 6:59:00 AM	3.75	29.817	113.722	Initial Flow (2)
IS	6/8/2009 7:26:00 AM	4.2	957.289	114.642	Initial Shut-In
FF1	6/8/2009 7:26:30 AM	4.208333	35.621	114.552	Final Flow (1)
FF2	6/8/2009 7:56:45 AM	4.7125	42.466	115.503	Final Flow (2)
FS	6/8/2009 8:28:00 AM	5.233333	1038.201	116.79	Final Shut-In
FH	6/8/2009 8:28:30 AM	5.241667	1812.932	116.855	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

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KANSAS CORPORATION COMMISSION

SEP 28 2009

CONSERVATION DIVISION
WICHITA, KS

Company Palomino Petroleum, Inc.
 Address 4924 SE 84th St.
 CSZ Newton, KS 67114
 Attn. Klee R. Watchous

Lease Name **McCartee**
 Lease # **1**
 Legal Desc **NE SW NW NW** Job Ticket **6017**
 Section **4** Range **26W**
 Township **15S**
 County **Gove** State **KS**
 Drilling Cont **Shields Rig #2**

Comments Times : 30 - 30 - 15 - 5

GENERAL INFORMATION

Test # **3** Test Date **6/8/2009**
 Tester **Richard Holtz**
 Test Type **Conventional Bottom Hole Successful Test**

Chokes **3/4** Hole Size **7 7/8**
 Top Recorder # **W1023**
 Mid Recorder # **W1127**
 Bott Recorder # **13306**

of Packers **2.0** Packer Size **6 3/4**

Mileage **50** Approved By

Mud Type **Gel Chem**
 Mud Weight **9.0** Viscosity **50.0**
 Filtrate **7.8** Chlorides **3500**

Standby Time **0**
 Extra Equipmnt
 Time on Site **12:00 AM**
 Tool Picked Up **12:00 AM**
 Tool Layed Dwn **12:00 AM**

Drill Collar Len **0**
 Wght Pipe Len **390.0**

Elevation **2330.00** Kelley Bushings **2335.00**

Formation **Lansing L**
 Interval Top **3875.0** Bottom **3900.0**
 Anchor Len Below **25.0** Between **0**

Start Date/Time **6/8/2009 5:36 PM**
 End Date/Time **6/8/2009 11:08 PM**

Total Depth **3900.0**
 Blow Type **Initial Flow, weak surface blow throughout. Final Flow, no blow, flushed tool g
 of weak surface blow then pulled 10 min. after. No blow back on shut ins.**

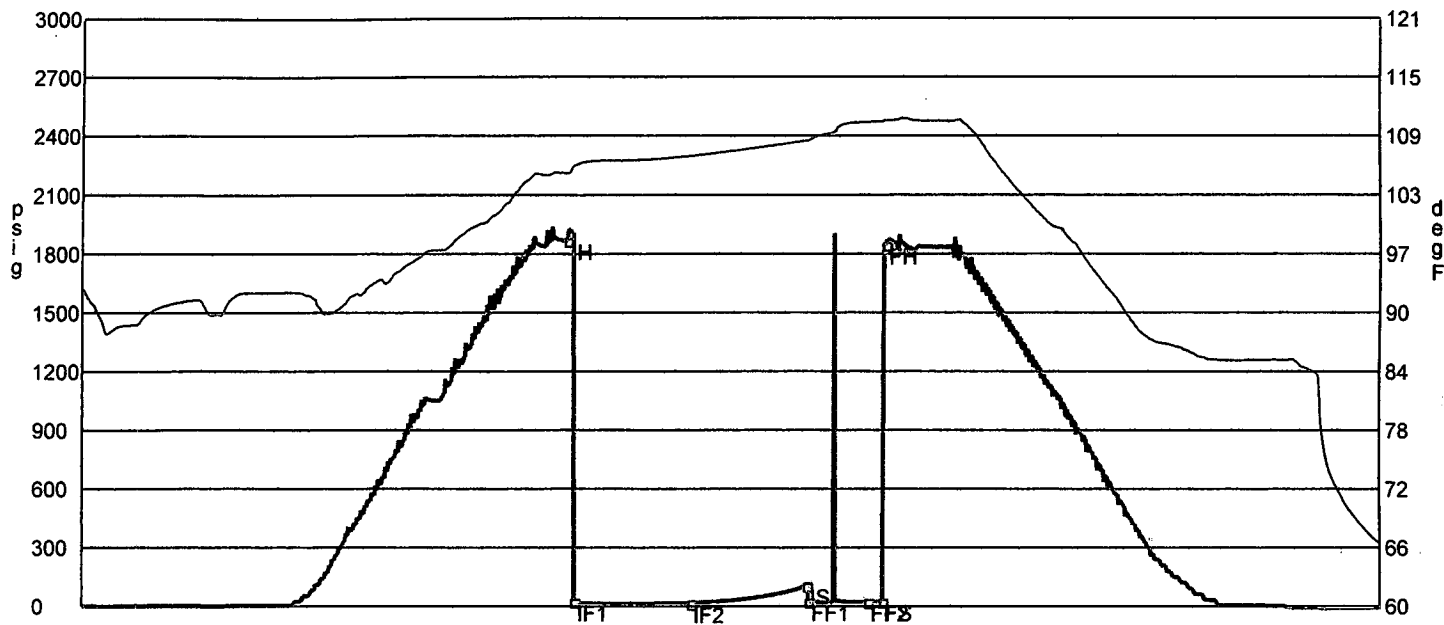
RECOVERY

Feet	Description	Gas	Oil	Water	Mud
10	mud/w trace of oil	0% 0ft	trace	0% 0ft	100%10ft
DST Fluids		0			

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CONSERVATION DIVISION
 WICHITA, KS



	Date	Time	Pressure	Temp	
IH	6/8/2009 7:39:00 PM	2.05	1867.749	104.896	Initial Hydro-static
IF1	6/8/2009 7:40:45 PM	2.079167	23.732	105.696	Initial Flow (1)
IF2	6/8/2009 8:10:45 PM	2.579167	14.908	106.682	Initial Flow (2)
IS	6/8/2009 8:40:45 PM	3.079167	106.012	108.295	Initial Shut-In
FF1	6/8/2009 8:41:15 PM	3.0875	25.172	108.321	Final Flow (1)
FF2	6/8/2009 8:56:30 PM	3.341667	20.897	110.187	Final Flow (2)
FS	6/8/2009 9:00:15 PM	3.404167	24.624	110.236	Final Shut-In
FH	6/8/2009 9:01:00 PM	3.416667	1843.841	110.364	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

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 SEP 28 2009
 CONSERVATION DIVISION
 WICHITA, KS

Company	Palomino Petroleum, Inc.	Lease Name	McCartee	
Address	4924 SE 84th St.	Lease #	1	
CSZ	Newton, KS 67114	Legal Desc	NE SW NW NW	Job Ticket 6017
Attn.	Klee R. Watchous	Section	4	Range 26W
		Township	15S	
		County	Gove	State KS
		Drilling Cont	Shields Rig #2	
Comments	Times : 30 - 30 - 15 - 5			

GENERAL INFORMATION

Test # 4	Test Date 6/10/2009	Chokes 3/4	Hole Size 7 7/8
Tester Richard Holtz		Top Recorder # W1023	
Test Type Conventional Bottom Hole Successful Test		Mid Recorder # W1127	
		Bott Recorder # 13564	
# of Packers 0	Packer Size 6 3/4	Mileage 50	Approved By
Mud Type Gel Chem		Standby Time 12.5	
Mud Weight 9.3	Viscosity 48.0	Extra Equipmnt	
Filtrate 9.2	Chlorides 3600	Time on Site 12:00 AM	
		Tool Picked Up 12:00 AM	
		Tool Layed Dwn 12:00 AM	
Drill Collar Len 0		Elevation 2330.00	Kelley Bushings 2335.00
Wght Pipe Len 390.0			
Formation Mississippi		Start Date/Time 6/10/2009 11:11 AM	
Interval Top 4158.0	Bottom 4245.0	End Date/Time 6/10/2009 6:32 PM	
Anchor Len Below 87.0	Between 0		
Total Depth 4245.0			
Blow Type Initial Flow, weak blow building to 7 inches. Final Flow, weak blow building to 8 inches. No blow back on shut ins.			

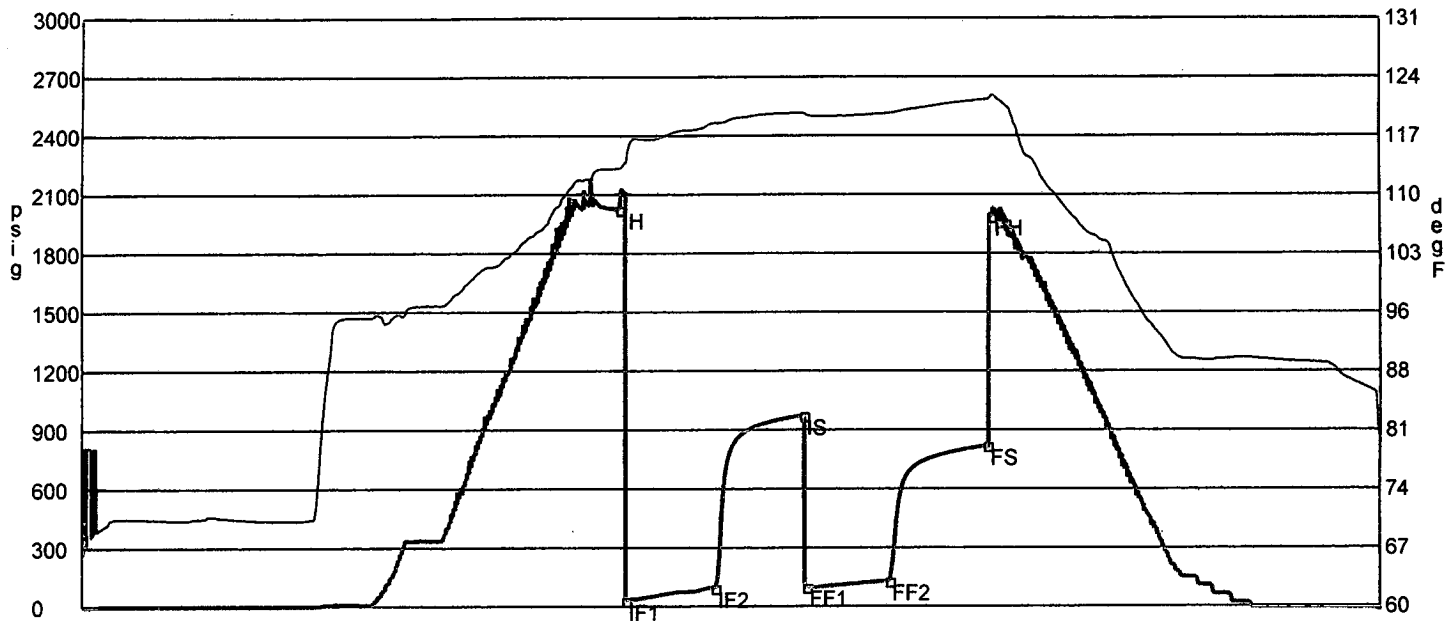
RECOVERY

Feet	Description	Gas	Oil	Water	Mud
120	Gas in Pipe	100% 120ft	0% 0ft	0% 0ft	0% 0ft
190	clean oil (32 gravity)	0% 0ft	100% 190ft	0% 0ft	0% 0ft
120	gassy oil and water cut mud	14% 16.8ft	14% 16.8ft	7% 8.4ft	65% 78ft
DST Fluids	0				

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SEP 28 2009

CONSERVATION DIVISION
WICHITA, KS



	Date	Time	Pressure	Temp	
IH	6/10/2009 2:12:15 PM	3.016667	2022.739	112.817	Initial Hydro-static
IF1	6/10/2009 2:14:30 PM	3.054167	28.361	113.453	Initial Flow (1)
IF2	6/10/2009 2:45:00 PM	3.5625	92.018	118.318	Initial Flow (2)
IS	6/10/2009 3:15:15 PM	4.066667	972.149	119.516	Initial Shut-In
FF1	6/10/2009 3:16:15 PM	4.083333	99.654	119.272	Final Flow (1)
FF2	6/10/2009 3:44:30 PM	4.554167	128.073	119.501	Final Flow (2)
FS	6/10/2009 4:18:00 PM	5.1125	818.736	121.197	Final Shut-In
FH	6/10/2009 4:19:15 PM	5.133333	1985.932	121.68	Final Hydro-static

GAS FLOWS

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SEP 28 2009

CONSERVATION DIVISION
WICHITA, KS