

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: Nicholas P. Gerstner

Purchaser: None

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.: _____

7/9/09 7/21/09 7/21/09

Spud Date or _____ Date Reached TD _____ Completion Date or _____
Recompletion Date _____ Recompletion Date

API No. 15 - 15-135-24928 - 0000

Spot Description: _____

NE NW SW SW Sec. 15 Twp. 16 S. R. 26 East West

1020 Feet from North / South Line of Section

380 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE NW SE SW

County: Ness

Lease Name: Darrell Holmes Well #: 1

Field Name: None (Wildcat)

Producing Formation: None

Elevation: Ground: 2605 Kelly Bushing: 2610

Total Depth: 4651 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: 229 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/ _____
PA-DG-10/14/09 ^{sx cmt.}

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: _____ ppm Fluid volume: _____ bbls

Dewatering method used: _____

Location of fluid disposal if hauled offsite: _____

Operator Name: _____

Lease Name: _____ License No.: _____

Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West

County: _____ Docket No.: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Klee R. Watchous

Title: President Date: October 13, 2009

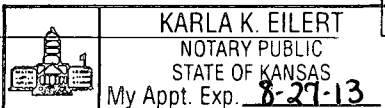
Subscribed and sworn to before me this 13th day of October

20 09

Notary Public: Karla K. Eilert

Karla K. Eilert

Date Commission Expires: August 27, 2013



KCC Office Use ONLY

Letter of Confidentiality Received

If Denied, Yes Date: _____

Wireline Log Received

Geologist Report Received

_____ UIC Distribution

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OCT 14 2009

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Operator Name: Palomino Petroleum, Inc. Lease Name: Darrell Holmes Well #: 1
 Sec. 15 Twp. 16 S. R. 26 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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: Radiation Guard, Sonic	<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>2035</td> <td>(+ 575)</td> </tr> <tr> <td>Base Anhy.</td> <td>2070</td> <td>(+ 540)</td> </tr> <tr> <td>Topeka</td> <td>3624</td> <td>(-1014)</td> </tr> <tr> <td>Heebner</td> <td>3896</td> <td>(-1286)</td> </tr> <tr> <td>Toronto</td> <td>3909</td> <td>(-1299)</td> </tr> <tr> <td>Lansing</td> <td>3931</td> <td>(-1321)</td> </tr> <tr> <td>Stark</td> <td>4182</td> <td>(-1572)</td> </tr> </table>	Name	Top	Datum	Anhy.	2035	(+ 575)	Base Anhy.	2070	(+ 540)	Topeka	3624	(-1014)	Heebner	3896	(-1286)	Toronto	3909	(-1299)	Lansing	3931	(-1321)	Stark	4182	(-1572)
Name	Top	Datum																							
Anhy.	2035	(+ 575)																							
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Heebner	3896	(-1286)																							
Toronto	3909	(-1299)																							
Lansing	3931	(-1321)																							
Stark	4182	(-1572)																							

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#	229'	Common	165	2% gel, 3% c.c.

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

TUBING RECORD:	Size:	Set At:	Packer At:	Liner Run:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr.				Producing Method:	
				<input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)	
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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LOGS

BKC	4239	(-1629)
Marmaton	4280	(-1670)
Pawnee	4380	(-1770)
Ft. Scott	4444	(-1834)
Cherokee	4471	(-1861)
Miss.	4550	(-1940)
LTD	4651	(-2041)

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Quality Oilwell Cementing Inc.

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

RECEIVED

JUL 27 2009

Invoice

Date	Invoice #
7/23/2009	1746

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

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
180	common	9.00	1,620.00T
120	POZ	6.00	720.00T
10	GEL	17.00	170.00T
75	Celloseal	2.00	150.00T
310	handling	1.75	542.50T
1	MILEAGE CHARGE	450.00	450.00T
1	dry hole plug	45.00	45.00T
1	pump truck charge plugging	600.00	600.00T
33	pump truck mileage charge	6.00	198.00T
899	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-899.00T
	LEASE: DARRYL HOLMES WELL #1		
	Ness county Sales Tax	5.30%	190.61

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Thank you for your business. Dave

Total \$3,787.11

QUALITY OILWELL CEMENTING, INC.

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

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

No. 3447

Date	7-21-09	Sec.	15	Twp.	16	Range	26	County	NESS	State	Ks	On Location		Finish	6:30	
Lease	DARRYL HOLMES			Well No.	1			Location								Utica Ks W to D rd
Contractor	SHIELDS Delg							Owner	N to 270 Rd 1 1/2 W N into							
Type Job	PTA							To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.								
Hole Size	7 7/8		T.D.	4850												
Csg.			Depth	Charge To												
Tbg. Size			Depth	Palomero Peh Inc												
Drill Pipe	4 1/2		Depth	Street												
Tool			Depth	City												
Cement Left in Csg.			Shoe Joint	State												
Press Max.			Minimum	The above was done to satisfaction and supervision of owner agent or contractor.												
Meas Line			Displace	CEMENT												
Perf.				Amount Ordered												
				300 x 60/40 Pbz 4% GEL												
				Common												
				180												
				Poz. Mix												
				120												
				Gel.												
				10												
				Calcium												
				Mills												
				Salt												
				Flowseal												
				75#												
EQUIPMENT																
Pumptrk	5	No.	Cement													
			Helper	JOE												
Bulktrk	4	No.	Driver	DOUG												
			Driver	TODD												
JOB SERVICES & REMARKS																
Pumptrk Charge	PTA							Handling								
Mileage								30								
Footage								Mileage								
								.08 PER SQ PER MILE								
								Pump Truck Charge								
								1st Plug 2040' 50 x 60/40 Pbz 4% GEL 1/4" GF								
								Disp w/mud								
FLOAT EQUIPMENT																
								2nd Plug 1260' 80 x 60/40 Pbz 4% GEL 1/4" GF								
								Disp w/H2O								
								3rd Plug 630' 50 x 60/40 Pbz 4% GEL 1/4" GF								
								Disp w/H2O								
								4th Plug 260' 50 x 60/40 Pbz 4% GEL 1/4" GF								
								Disp w/H2O								
								60' 20 x 60/40 Pbz 4% GEL 1/4" GF								
								R-h 30 x 60/40 Pbz 4% GEL 1/4" GF								
								M-ho 20 x 60/40 Pbz 4% GEL 1/4" GF								
Signature	Ken							THANKS TO ALL								

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Tax
Discount
Total Charge

Quality Oilwell Cementing Inc.

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

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JUL 15 2009

Invoice

Date	Invoice #
7/14/2009	1720

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

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
165	common	10.00	1,650.00T
3	GEL	17.00	51.00T
6	Calcium	42.00	252.00T
174	handling	2.00	348.00
1	MILEAGE CHARGE	300.00	300.00
1	8 5/8 wooden plug	69.00	69.00T
1	surface pipes 0-500ft	400.00	400.00
33	pump truck mileage charge	6.00	198.00
404	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-404.00T
249	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-249.00
	LEASE: DARRYL HOLMES WELL #1		
	Ness county Sales Tax	5.30%	85.75

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Thank you for your business. Dave	Total	\$2,700.75
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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. *112*

Date	Sec.	Twp.	Range	County	State	On Location	Finish
<i>7-21-69</i>							<i>4-1-69</i>
Lease		Well No.		Location			
Contractor				Owner			
Type Job				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		T.D.		Charge To			
Csg.		Depth		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.		Shoe Joint		<p align="center">CEMENT</p> Amount Ordered <i>165 cu. 3/8 cc 39 gal</i> Common <i>165 @ 10.00</i> <i>1650.00</i>			
Press Max.		Minimum					
Meas Line		Displace <i>1400 gal</i>		Poz. Mix			
Perf.				Gel. <i>3 @ 17.00</i> <i>51.00</i>			
Pumptrk		No. Cementer		Calcium <i>6 @ 42.00</i> <i>252.00</i>			
Bulktrk		No. Driver		Mills			
Bulktrk		No. Driver		Salt			
JOB SERVICES & REMARKS							
Pumptrk Charge		<i>SFC</i>		400.00			
Mileage		<i>33 @ 6.00</i>		198.00			
Footage							
		Total		<i>598.00</i>			
Remarks:				Handling <i>174 @ 2.00</i> <i>348.00</i>			
				Mileage <i>300.00</i>			
				Pump Truck Charge <i>598.00</i>			
FLOAT EQUIPMENT							
				Guide Shoe			
				Centralizer			
				Baskets			
				AFU Inserts <i>69.00</i>			
				Rotating Head			
				Squeeze Mainfold			
X Signature				RECEIVED OCT 14 2009 KCC WICHITA			
				Tax <i>85.75</i> Discount <i>(63.00)</i> Total Charge <i>2,700.75</i>			

Quality Oilwell
Cementing