

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL Form ACO-1
October 2008
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Handwritten: 4/26/09

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 # 34233

Name: Maverick Drilling, L.L.C.

Wellsite Geologist: Nicholas P. Gerstner & Sean P. Deenihan

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.: _____

8/11/09 8/21/09 8/21/09

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

API No. 15 - 135-24949-0000

Spot Description: _____

SE NE NE NW Sec. 26 Twp. 16 S. R. 24 East West

350 Feet from North / South Line of Section

2560 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE NW SE SW

County: Ness

Lease Name: RFDB Well #: 1

Field Name: None (Wildcat)

Producing Formation: None

Elevation: Ground: 2519 Kelly Bushing: 2525

Total Depth: 4656 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: 263 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: _____ Feet

If Alternate II completion, cement circulated from: _____

feet depth to: _____ w/ _____ sx cmt.

Drilling Fluid Management Plan *P+ A AH II nce*
(Data must be collected from the Reserve Pit) 11-13-09

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: November 4, 2009

Subscribed and sworn to before me this 4th day of November

20 09

Notary Public: Carla R. Penwell

Carla R. Penwell

Date Commission Expires: October 6, 2013

NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
My Appt. Expires 10-6-13

KCC Office Use ONLY

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

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Operator Name: Palomino Petroleum, Inc. Lease Name: RFDB Well #: 1

Sec. 26 Twp. 16 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 <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: Dual Induction, Compensated Density/Neutron	<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>1843</td> <td>(+ 682)</td> </tr> <tr> <td>Base Anhy.</td> <td>1874</td> <td>(+ 651)</td> </tr> <tr> <td>Topeka</td> <td>3615</td> <td>(-1090)</td> </tr> <tr> <td>Heebner</td> <td>3880</td> <td>(-1355)</td> </tr> <tr> <td>Lansing</td> <td>3922</td> <td>(-1397)</td> </tr> <tr> <td>BKC</td> <td>4214</td> <td>(-1689)</td> </tr> <tr> <td>Marmaton</td> <td>4278</td> <td>(-1753)</td> </tr> </table>	Name	Top	Datum	Anhy.	1843	(+ 682)	Base Anhy.	1874	(+ 651)	Topeka	3615	(-1090)	Heebner	3880	(-1355)	Lansing	3922	(-1397)	BKC	4214	(-1689)	Marmaton	4278	(-1753)
Name	Top	Datum																							
Anhy.	1843	(+ 682)																							
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Lansing	3922	(-1397)																							
BKC	4214	(-1689)																							
Marmaton	4278	(-1753)																							

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#	263'	Common	150	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>
		RECEIVED NOV 05 2009 KCC WICHITA

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

Pawnee	4336	(-1811)
Ft. Scott	4416	(-1891)
Cherokee Sh.	4440	(-1915)
Cherokee Sd.	4597	(-1972)
Cher. Sd-Lwr.	4520	(-1995)
Miss. Dolo.	4568	(-2043)
LTD	4656	(-2131)

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Quality Oilwell Cementing Inc.

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Invoice

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

AUG 26 2009

Date	Invoice #
8/24/2009	1844

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

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
162	common	10.00	1,620.00T
108	POZ	6.00	648.00T
9	GEL	17.00	153.00T
67	Celloseal	2.00	134.00T
279	handling	2.00	558.00T
1	MILEAGE	300.00	300.00T
1	dry hole plug	45.00	45.00T
1	pump truck charge plugging	500.00	500.00T
19	pump truck mileage charge	6.00	114.00T
814	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-814.00T
	LEASE: RFDB WELL #1		
	Ness county Sales Tax	5.30%	172.67

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Thank you for your business. Dave

Total \$3,430.67

QUALITY OILWELL CEMENTING, INC.

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

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

No. 2397

Date	Sec.	Twp.	Range	County	State	On Location	Finish
08/21/09	26	16	24		KS		
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 State			
Drill Pipe		Depth		The above was done to satisfaction and supervision of owner agent or contractor.			
Tool		Depth		Amount Ordered			
Cement Left in Csg.		Shoe Joint		Common			
Press Max.		Minimum		Poz. Mix			
Meas Line		Displace		Gel.			
Perf.				Calcium			
EQUIPMENT				CEMENT			
Pumptrk	No.	Cementer		Mills			
		Helper		Salt			
Bulktrk	No.	Driver		Flowseal			
		Driver		Handling			
Bulktrk	No.	Driver		Mileage			
		Driver		Pump Truck Charge			
JOB SERVICES & REMARKS				FLOAT EQUIPMENT			
Pumptrk Charge		500.00		Guide Shoe			
Mileage		114.00		Centralizer			
Footage				Baskets			
Total		614.00		AFU Inserts			
Remarks:				Rotating Head			
				Squeez Mainfold			
				Tax			
				Discount			
				Total Charge			
Thank You				172.67			
				(814.00)			
				3430.67			

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X Signature

Quality Oilwell Cementing Inc.

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

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AUG 15 2009

Invoice

Date	Invoice #
8/13/2009	1814

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

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
150	common	9.00	1,350.00T
3	GEL	17.00	51.00T
5	Calcium	42.00	210.00T
158	handling	1.75	276.50
1	MILEAGE CHARGE	250.00	250.00
1	surface pipes 0-500ft	400.00	400.00
19	pump truck mileage charge	6.00	114.00
322	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-322.00T
208	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-208.00
	LEASE: RFDB WELL #1 Ness county Sales Tax	5.30%	68.32
		RECEIVED NOV 05 2009 KCC WICHITA	
Thank you for your business. Dave			Total \$2,189.82

QUALITY OILWELL CEMENTING, INC.

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

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

No. *17-0221*

Date	Sec.	Twp.	Range	County	State	On Location	Finish
<i>5/11/09</i>	<i>26</i>	<i>16</i>	<i>24</i>	<i>Montgomery</i>	<i>KS</i>		<i>12:00 AM</i>
Lease <i>RFD</i>	Well No. <i>1</i>	Location <i>1000 S 10th St</i>					
Contractor <i>M. J. D. 100</i>				Owner			
Type Job <i>Graveling</i>				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 <i>17 1/4</i>	T.D. <i>263</i>	Charge To <i>Permanence Permenant</i>					
Csg. <i>5 1/2 (100)</i>	Depth <i>263</i>	Street					
Tbg. Size	Depth	City State					
Drill Pipe	Depth	The above was done to satisfaction and supervision of owner agent or contractor.					
Tool	Depth	CEMENT					
Cement Left in Csg. <i>10-15</i>	Shoe Joint	Amount Ordered <i>150 @ 9.00</i>					
Press Max.	Minimum <i>16 1/4</i>	Common <i>150 @ 9.00</i>					
Meas Line	Displace <i>16 1/4</i>	1350.00					
Perf.		Poz. Mix					
EQUIPMENT				Gel. <i>3 @ 17.00</i>			
Pumptrk. <i>1</i>	No.	Cementer		Calcium <i>5 @ 42.00</i>			
		Helper		Mills			
Bulktrk. <i>1</i>	No.	Driver		Salt			
		Driver		Flowseal			
Bulktrk. <i>1</i>	No.	Driver		Job Services & Remarks			
		Driver		Pumptrk Charge <i>SFC</i> <i>400.00</i>			
JOB SERVICES & REMARKS				Mileage <i>19 @ 6.00</i> <i>114.00</i>			
Footage				Total <i>514.00</i>			
Remarks:				Handling <i>158 @ 1.75</i> <i>276.90</i>			
				Mileage <i>250.00</i>			
				Pump Truck Charge <i>514.00</i>			
				FLOAT EQUIPMENT			
				Guide Shoe			
				Centralizer			
				Baskets			
				AFU Inserts			
				Rotating Head			
				Squeez Mainfold RECEIVED			
				Tax <i>68.32</i>			
				Discount <i>(530.00)</i>			
				Total Charge <i>2189.82</i>			
Signature				NOV 05 2009 KCC WICHITA			

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

Lease Name RFDB
Lease # 1
Legal Desc SE NE NE NW
Section 26
Township 16S
County Ness
Drilling Cont Maverick Drilling
Job Ticket 6029
Range 24W
State KS

Comments Times : 30 - 30 - 30 - 30

GENERAL INFORMATION

Test # 1 Test Date 8/20/2009
Tester Richard Holtz
Test Type Conventional Bottom Hole
Successful Test

Chokes 3/4 Hole Size 7 7/8
Top Recorder # W1022
Mid Recorder #
Bott Recorder # 13306

of Packers 2.0 Packer Size 6 3/4

Mileage 166 Approved By

Mud Type Gel Chem
Mud Weight 9.2 Viscosity 42.0
Filtrate 12.8 Chlorides 3900

Standby Time 3.5
Extra Equipmnt Jars and safety joint
Time on Site 5:40 AM
Tool Picked Up 11:15 AM
Tool Layed Dwn 8:00 PM

Drill Collar Len 0
Wght Pipe Len 0

Elevation 2519.00 Kelley Bushings 2527.00

Formation Cherokee Sands
Interval Top 4463.0 Bottom 4531.0
Anchor Len Below 68.0 Between 0
Total Depth 4531.0

Start Date/Time 8/20/2009 10:22 AM
End Date/Time 8/20/2009 7:59 PM

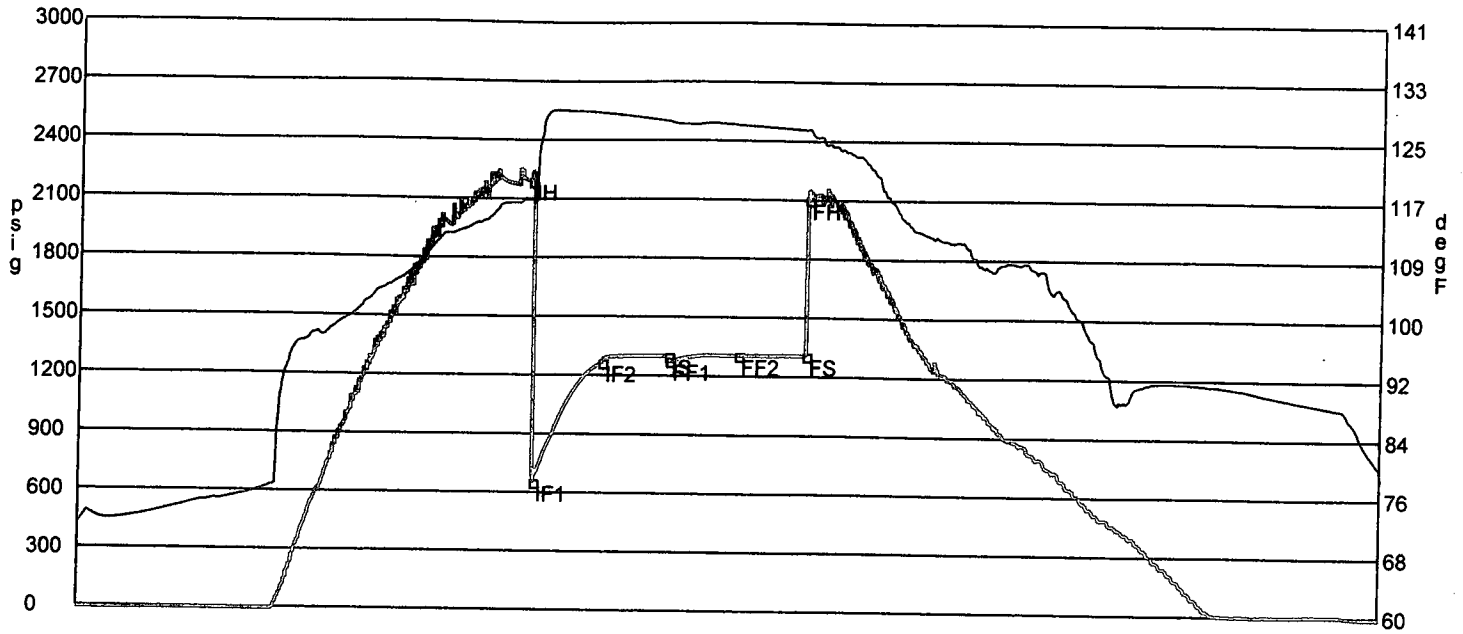
Blow Type Initial Flow, strong blow, BOB in 30 seconds. Final Flow, strong blow, BOB in 5 minutes, blow subsiding to 7 inches in last 10 minutes of open. No blow back on shut ins.

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
460	water and oil cut mud	0% 0ft	7% 32.2ft	34% 156.4ft	59% 271.4ft
2400	oil cut water	0% 0ft	7% 168ft	93% 2232ft	0% 0ft

DST Fluids 26000

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	Date	Time	Pressure	Temp	
IH	8/20/2009 1:40:15 PM	3.304167	2189.497	116.607	Initial Hydro-static
IF1	8/20/2009 1:42:00 PM	3.333333	651.365	116.444	Initial Flow (1)
IF2	8/20/2009 2:12:15 PM	3.8375	1264.445	128.542	Initial Flow (2)
IS	8/20/2009 2:41:45 PM	4.329167	1301.295	127.441	Initial Shut-In
FF1	8/20/2009 2:42:15 PM	4.3375	1276.473	127.384	Final Flow (1)
FF2	8/20/2009 3:12:45 PM	4.845833	1305.613	126.974	Final Flow (2)
FS	8/20/2009 3:43:00 PM	5.35	1306.191	126.356	Final Shut-In
FH	8/20/2009 3:43:30 PM	5.358333	2101.781	126.508	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

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