

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 # 5123

Name: Pickrell Drilling Co., Inc.

Wellsite Geologist: Sean P. Deenihan

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.: _____

11/27/09 12/5/09 12/5/09

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

API No. 15 - 15-195-22635-00-00

Spot Description: _____

NE NW SE Sec. 15 Twp. 15 S. R. 22 East West

2410 Feet from North / South Line of Section

1610 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE NW SE SW

County: Trego

Lease Name: Pearson Trust Well #: 1

Field Name: None (Wildcat)

Producing Formation: Cherokee Sand

Elevation: Ground: 2257 Kelly Bushing: 2262

Total Depth: 4288 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: 216 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: 1611 Feet

If Alternate II completion, cement circulated from: 1611

feet depth to: surface w/ 160 sx cmt.

Drilling Fluid Management Plan Att II Nol 3-23-10
(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: March 16, 2010

Subscribed and sworn to before me this 16th day of March

20 10

Notary Public: 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

Operator Name: Palomino Petroleum, Inc. Lease Name: Pearson Trust Well #: 1
 Sec. 15 Twp. 15 S. R. 22 East West County: Trego

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, Sonic, Micro, Compensated Neutron/Density	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table border="0" style="width:100%"> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Anhy.</td> <td>1626</td> <td>(+ 636)</td> </tr> <tr> <td>Base Anhy.</td> <td>1666</td> <td>(+ 596)</td> </tr> <tr> <td>Heebner</td> <td>3628</td> <td>(-1366)</td> </tr> <tr> <td>Lansing</td> <td>3668</td> <td>(-1406)</td> </tr> <tr> <td>BKC</td> <td>3945</td> <td>(-1683)</td> </tr> <tr> <td>Pawnee</td> <td>4020</td> <td>(-1758)</td> </tr> <tr> <td>Ft. Scott</td> <td>4111</td> <td>(-1849)</td> </tr> </table>	Name	Top	Datum	Anhy.	1626	(+ 636)	Base Anhy.	1666	(+ 596)	Heebner	3628	(-1366)	Lansing	3668	(-1406)	BKC	3945	(-1683)	Pawnee	4020	(-1758)	Ft. Scott	4111	(-1849)
Name	Top	Datum																							
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BKC	3945	(-1683)																							
Pawnee	4020	(-1758)																							
Ft. Scott	4111	(-1849)																							

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#	216'	Common	150	2% gel, 3% c.c.
Production	7 7/8"	5 1/2"	14#	4289'	SMD	100	500 gal. mud flush,
					EA-2	100	w/add., 20 bbls. KCL water

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
1	4194-4200 RECEIVED KANSAS CORPORATION COMMISSION		
	MAR 17 2010		
	CONSERVATION DIVISION WICHITA, KS		

TUBING RECORD:	Size: <u>2 7/8"</u>	Set At: <u>4250'</u>	Packer At:	Liner Run: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr. <u>2/22/10</u>	Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls. <u>98% 72</u>	Gas Mcf	Water Bbls. <u>2% 3</u>	Gas-Oil Ratio
				Gravity

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

Cherokee Sh. 4121 (-1859)
Cherokee Sd. 4192 (-1930)
Miss. 4210 (-1948)
LTD 4288 (-2026)

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 17 1961

CONSERVATION DIVISION
WICHITA, KS



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

Invoice

DATE	INVOICE #
12/17/2009	17332

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

RECEIVED

DEC 19 2009

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Pearson Trust	Trego	DS&W Well Servi...	Oil	Development	Cement Port Collar	Brett
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				30	Miles	5.00	150.00
576D-D	Pump Charge - Port Collar				1	Job	1,100.00	1,100.00
581D	Service Charge Cement				200	Sacks	1.50	300.00
583D	Drayage				299.55	Ton Miles	1.00	299.55
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
105	Port Collar Tool Rental With Man				1	Each	300.00	300.00T
	Subtotal							4,534.55
	Sales Tax Trego County						5.80%	155.73
RECEIVED KANSAS CORPORATION COMMISSION MAR 17 2010 CONSERVATION DIVISION WICHITA, KS								

**Thank You For Your Business &
 Best Wishes For A Wonderful Holiday Season!!**

Total \$4,690.28



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

TICKET
17332

PAGE 1 OF 1

SERVICE LOCATIONS
1. Ness City KS

WELL/PROJECT NO. 1 LEASE Pearson Trust COUNTY/PARISH Trego STATE KS CITY Ness City DATE 12-17-09 OWNER

TICKET TYPE SERVICE SALES CONTRACTOR DSW Well Service RIG NAME/NO.
 SHIPPED VIA Brownell DELIVERED TO ORDER NO.

WELL TYPE Oil WELL CATEGORY Development JOB PURPOSE Cement Port Collar WELL PERMIT NO. WELL LOCATION Brownell NE, 6N, 4W, NW 1/4

REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE Trk #114	30	mi			5.00	150.00
576 D		1			Pump Charge Port Collar	1	ea			1100.00	1100.00
581		1			Service Charge Cement	200	sks			1.50	300.00
583		1			Drayage	299.55	TM			1.00	299.55
330		1			Swift Multi-Density STD	160	sks			14.00	2240.00
276		1			Floccle	50	lbs			1.50	75.00
290		1			D-Air	2	gal			35.00	70.00
105		1			Port Collar Tool Rental w/Man	1	ea			300.00	300.00
	RECEIVED KANSAS CORPORATION COMMISSION										
	MAR 17 2010										
	CONSERVATION DIVISION WICHITA, KS										

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 Rich Shreibe
 DATE SIGNED 12-17-09 TIME SIGNED 1:30 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	AMOUNT
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				4534	55
WE UNDERSTOOD AND MET YOUR NEEDS?					
OUR SERVICE WAS PERFORMED WITHOUT DELAY?					
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				1 rego TAX 5.8%	155.73
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	4690.28
<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 Brett Corsair

APPROVAL _____ Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 12-17-09 PAGE NO. 1

CUSTOMER Palomino Petroleum WELL NO. 1 LEASE Pearson Trust JOB TYPE Cement Port Collar TICKET NO. 17332

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1330							On Location 2 7/8 x 5 1/2 PC @
	1355				✓			1000 Pressure Test Annulus - Held
	1400	3 1/2			✓	400		Open Tool - Injection Rate
	1405	3 1/2			✓	400		Start Cement 11.2 ppg
		4	80			500		Cement to Surface 160 sks Total 15 sks to pit
			88			250		Shut Down Cement - Start Displacement
	1430		5 1/2			250		Shut Down - Shut in
	1435				✓	1000		Close Tool - Pressure Test - Held Run 4 JTs
	1445	3 1/2	20		✓			Reverse Clean
	1500							Pull Tool Wash Track
	1530							Job Complete Thank you Brett, Pave & Bob

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 17 2010

CONSERVATION DIVISION
WICHITA, KS

SWIFT



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



Invoice

DATE	INVOICE #
12/5/2009	16809

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

RECEIVED
DEC 11 2009

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator	
Net 30	#1	Pearson Trust	Trego	Pickrell Drilling #10	Oil	Development	LongString	Nick	
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT	
575D	Mileage - 1 Way				30	Miles	5.00	150.00	
578D-L	Pump Charge - Long String - 4300 Feet				1	Job	1,400.00	1,400.00	
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00T	
281	Mud Flush				500	Gallon(s)	1.00	500.00T	
290	D-Air				2	Gallon(s)	35.00	70.00T	
402-5	5 1/2" Centralizer				11	Each	55.00	605.00T	
403-5	5 1/2" Cement Basket				3	Each	180.00	540.00T	
404-5	5 1/2" Port Collar				1	Each	1,900.00	1,900.00T	
406-5	5 1/2" Latch Down Plug & Baffle				1	Each	225.00	225.00T	
407-5	5 1/2" Insert Float Shoe With Auto Fill				1	Each	275.00	275.00T	
419-5	5 1/2" Rotating Head Rental				1	Each	150.00	150.00T	
325	Standard Cement				100	Sacks	11.00	1,100.00T	
330	Swift Multi-Density Standard (MIDCON II)				100	Sacks	14.00	1,400.00T	
276	Flocele				50	Lb(s)	1.50	75.00T	
283	Salt				500	Lb(s)	0.15	75.00T	
284	Calseal				5	Sack(s)	30.00	150.00T	
285	CFR-1				50	Lb(s)	4.00	200.00T	
581D	Service Charge Cement				200	Sacks	1.50	300.00	
583D	Drayage				304	Ton Miles	1.00	304.00	
Subtotal									9,469.00
Sales Tax Trego County								5.80%	424.27

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 17 2010

CONSERVATION DIVISION
WICHITA, KS

Thank You For Your Business &
Best Wishes For A Wonderful Holiday Season!!

Total

\$9,893.27



CHARGE TO: <i>Palemia Petroleum</i>
ADDRESS
CITY, STATE, ZIP CODE

TICKET
No 16809

PAGE 1 OF 2

SERVICE LOCATIONS 1. <i>Hays Ks</i> 2. <i>Ness City, Ks</i> 3. 4.	WELL/PROJECT NO. <i>#1</i>	LEASE <i>Pearson Trust</i>	COUNTY/PARISH <i>Trego</i>	STATE <i>Ks</i>	CITY	DATE <i>12-5-09</i>	OWNER <i>same</i>
	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <i>Pickeral Drly #10</i>	RIG NAME/NO.	SHIPPED VIA <i>ET</i>	DELIVERED TO <i>Location</i>	ORDER NO.	
	WELL TYPE <i>oil</i>	WELL CATEGORY <i>Development</i>	JOB PURPOSE <i>Longstring</i>	WELL PERMIT NO.	WELL LOCATION		
REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	DF		QTY.	U/M	QTY.	U/M	
575		1			MILEAGE <i>#111</i>	30	mi	5.00		150.00
578		1			Pump Charge (Longstring)	1	ea	1400.00		1400.00
221	RECEIVED KANSAS CORPORATION COMMISSION	1			KCL	2	gal	25.00		50.00
281	MAR 17 2010	1			Mud Plush	500	gal	1.00		500.00
290		1			D-Air	2	gal	35.00		70.00
402	CONSERVATION DIVISION WICHITA, KS	1			Centralizers	11	ea	55.00	5 1/2"	605.00
403		1			Baskets	3	ea	180.00		540.00
404		1			Port Collar	1	ea	1900.00		1900.00
406		1			L D Plug & Ball Plc	1	ea	225.00		225.00
407		1			Insert Float Shoe w/fill	1	ea	275.00		275.00
419		1			Rotating Head			150.00		150.00

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 *12-5-09* TIME SIGNED *1115* 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	5865.00
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				page 2	3604.00
WE UNDERSTOOD AND MET YOUR NEEDS?				subtotal	9469.00
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				Preco TAX 5.8%	424.27
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TOTAL	9893.27
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO	<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 *Mike Horbe* APPROVAL *Y.M.P. [Signature]*

Thank You!



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

TICKET CONTINUATION

TICKET No. 16809

CUSTOMER *Palomino Pet* WELL # *Pearson Trust* DATE *12-5-09* PAGE *2* OF *2*

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY		UM		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF			QTY	UM	QTY	UM			
325		2				Standard Cement	100	sk			11.00	1100	00
330		2				SMD Cement	100	sk			14.00	1400	00
276		2				Floccle	50	#			1.50	75	00
283		2				Spit	500	#			.15	75	00
284		2				Calseal	5	sk			30.00	150	00
285		2				CFR-1	50	#			4.00	200	00
RECEIVED KANSAS CORPORATION COMMISSION MAR 17 2010 CONSERVATION DIVISION WICHITA, KS													
581		2				SERVICE CHARGE							
583		2				MILEAGE CHARGE							
						TOTAL WEIGHT	20276						
						LOADED MILES	30						
						TON MILES			304				
											1.50	300	00
											1.00	304	00

CONTINUATION TOTAL 3604.00

JOB LOG

SWIFT Services, Inc.

DATE 12-5-09 PAGE NO. 1

CUSTOMER *Palestine Petroleum* WELL NO. *#1* LEASE *Pearson Trust* JOB TYPE *Longstring* TICKET NO. *16809*

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	<i>0430</i>							<i>on loc set w/ FE</i>
								<i>RTD 4300'</i>
								<i>5 1/2" x 4290' x 14# x 18'</i>
								<i>Cent. 1, 2, 4, 6, 7, 8, 10, 13, 16, 19, 64</i>
								<i>Back. 3, 8, 65</i>
								<i>PC 65 @ 16.11'</i>
	<i>0700</i>							<i>Start FE.</i>
	<i>0900</i>							<i>Break Circ.</i>
	<i>1015</i>	<i>2.5</i>	<i>7</i>					<i>Plug RH 4 30sk SMD</i>
	<i>1020</i>	<i>3.5</i>	<i>0</i>				<i>150</i>	<i>Start Mud Flush 50 gal</i>
		<i>3.5</i>	<i>12/0</i>				<i>150</i>	<i>Start KCL Flush 20 bbl</i>
		<i>5.5</i>	<i>20/0</i>				<i>200</i>	<i>Start SMD Cement 70 sks @ 12.2 #</i>
		<i>5.5</i>	<i>29/0</i>				<i>200</i>	<i>Start EA-2 Cement 100 sks @ 15.5 #</i>
	<i>1040</i>		<i>24</i>					<i>End Cement</i>
								<i>Wash Pump Line</i>
								<i>Drop L.D. Plug</i>
	<i>1043</i>	<i>6.5</i>	<i>0</i>				<i>150</i>	<i>Start Displacement</i>
	<i>1054</i>	<i>5</i>	<i>76</i>				<i>200</i>	<i>Catch Cement</i>
	<i>1100</i>		<i>104</i>				<i>650 / 1400</i>	<i>Land Plug</i>
								<i>Release Pressure</i>
								<i>Float Held</i>

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 7 2010

CONSERVATION DIVISION
WICHITA, KS

Thank you
Nick, Josh F. & Blaine

Quality Oilwell Cementing Inc.

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

RECEIVED

DEC 03 2009

Invoice

Date	Invoice #
11/30/2009	2125

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

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
150	common	10.00	1,500.00T
3	GEL	17.00	51.00T
5	Calcium	42.00	210.00T
158	handling	2.00	316.00
1	MILEAGE CHARGE	350.00	350.00
1	surface pipes 0-500ft	450.00	450.00
30	pump truck mileage charge	7.00	210.00
352	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-352.00T
265	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-265.00
	LEASE: PEARSON TRUST WELL #1		
	Trego county Sales Tax	5.80%	81.72
RECEIVED KANSAS CORPORATION COMMISSION MAR 17 2010 CONSERVATION DIVISION WICHITA, KS			
Thank you for your business. Dave		Total	\$2,551.72

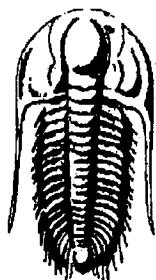
QUALITY OILWELL CEMENTING, INC.

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

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

No. 3974

Date	11/28/09	Sec.	15	Twp.	15	Range	22 W	County	Trego	State	KS	On Location		Finish	6:00 AM	
Lease	Pearson Trust		Well No.	1		Location Cedar Bluff Dam, S to CC rd, NW, N. inter										
Contractor	Pickrell Drilling Rig #10					Owner										
Type Job	Oil Surface					To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.										
Hole Size	12 1/4"		T.D.	221'		Charge To Palamino Petroleum, Inc.										
Csg.	8 3/8" 20#		Depth	216'		Street										
Tbg. Size						City										
Tool						State										
Cement Left in Csg.	15'		Shoe Joint	The above was done to satisfaction and supervision of owner agent or contractor.												
Meas Line						Displace	13 1/4 Bbls.		CEMENT							
EQUIPMENT						Amount Ordered										
Pumptrk	9	No.	Cementer	Paul		150 sx Com 3% CC 2% gel										
			Helper			Common 150 @ 10.00 1500.00										
Bulktrk	10	No.	Driver	Rocky		Poz. Mix										
			Driver			Gel. 3 @ 17.00 51.00										
Bulktrk	PJ	No.	Driver	Darin		Calcium 5 @ 42.00 210.00										
			Driver			Hulls										
JOB SERVICES & REMARKS						Salt										
Remarks:						Flowseal										
Cement						Handling 158 @ 2.00 316.00										
circulated						Mileage 30 @ 7.00 210.00										
RECEIVED						FLOAT EQUIPMENT										
WIKS CO CORPORATION PERMISSION						Guide Shoe										
MAR 17 2010						Centralizer										
CONSERVATION DIVISION						Baskets										
WICHITA, KS						AFU Inserts										
Thank You!!						Pumptrk Charge 5 FC 450.00										
Quality Oilwell						Mileage 30 @ 7.00 210.00										
Cementing						Tax 86.72										
Signature Mike Kern						Discount (617.00)										
						Total Charge 2551.72										



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Inc**

4924 SE 84th St
Newton KS 7114

ATTN: Sean

15 15s 22w Trego KS

Pearson Trust #1

Start Date: 2009.12.03 @ 20:04:11

End Date: 2009.12.04 @ 04:37:41

Job Ticket #: 36617 DST #: 1

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 17 2010

CONSERVATION DIVISION
WICHITA, KS

Trilobite Testing, Inc
PO Box 1733 Hays, KS 67601
ph: 785-625-4778 fax: 785-625-5620



TRILOBITE TESTING, INC

DRILL STEM TEST REPORT

Palomino Petroleum Inc

Pearson Trust #1

4924 SE 84th St
New ton KS 7114

15 15s 22w Trego KS

ATTN: Sean

Job Ticket: 36617

DST#: 1

Test Start: 2009.12.03 @ 20:04:11

GENERAL INFORMATION:

Formation: **Cherokee Sd.**
 Deviated: **No Whipstock** ft (KB)
 Time Tool Opened: 23:40:11
 Time Test Ended: 04:37:41

Test Type: **Conventional Bottom Hole**
 Tester: **Brett Dickinson**
 Unit No:

Interval: **4116.00 ft (KB) To 4204.00 ft (KB) (TVD)**
 Total Depth: **4204.00 ft (KB) (TVD)**
 Hole Diameter: **7.88 inches** Hole Condition:

Reference Elevations: **2262.00 ft (KB)**
2257.00 ft (CF)
 KB to GR/CF: **5.00 ft**

Serial #: 8371

Inside

Press@RunDepth: **406.91 psig @ 4121.00 ft (KB)**

Start Date: **2009.12.03**

End Date:

2009.12.04

Capacity:

8000.00 psig

Start Time:

20:04:16

End Time:

04:37:41

Last Calib.:

2009.12.04

Time On Btm:

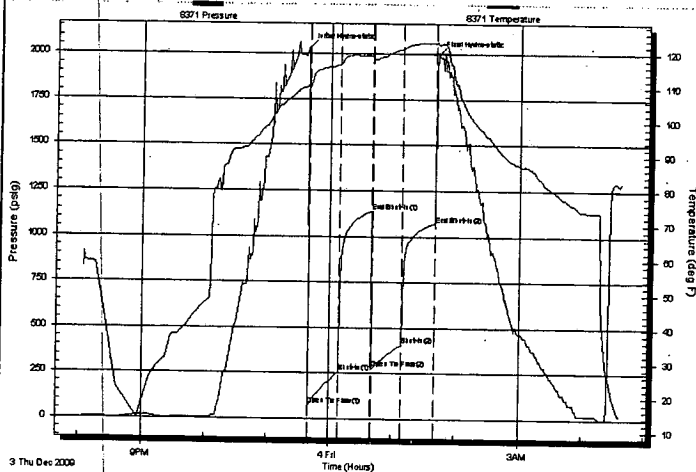
2009.12.03 @ 23:39:11

Time Off Btm:

2009.12.04 @ 01:42:40

TEST COMMENT: IF-BOB in 3min
 IS-3/4in blow
 FF-BOB in 4min
 FS-1in blow

Pressure vs. Time



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2033.83	110.82	Initial Hydro-static
1	72.75	110.48	Open To Flow (1)
30	256.65	116.87	Shut-In(1)
61	1137.25	119.52	End Shut-In(1)
62	279.19	118.98	Open To Flow (2)
90	406.91	121.47	Shut-In(2)
122	1068.84	123.20	End Shut-In(2)
124	1998.39	122.97	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
255.00	GO 20%G 80%O	3.58
300.00	GSMCO 20%G 75%O 5%M	4.21
360.00	SMCO 10%G 75%O 15%M	5.05
0.00	45ft GIP	0.00

Gas Rates

	Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum Inc

4924 SE 84th St
New ton KS 7114

ATTN: Sean

Pearson Trust #1

15 15s 22w Trego KS

Job Ticket: 36617

DST#: 1

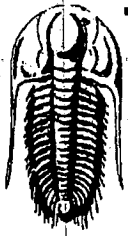
Test Start: 2009.12.03 @ 20:04:11

Tool Information

Drill Pipe:	Length: 4093.00 ft	Diameter: 3.80 inches	Volume: 57.41 bbl	Tool Weight:	2500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: 2.70 inches	Volume: 0.00 bbl	Weight set on Packer:	25000.00 lb
Drill Collar:	Length: 0.00 ft	Diameter: 2.25 inches	Volume: 0.00 bbl	Weight to Pull Loose:	70000.00 lb
			Total Volume: 57.41 bbl	Tool Chased	ft
Drill Pipe Above KB:	4.00 ft			String Weight: Initial	56000.00 lb
Depth to Top Packer:	4116.00 ft			Final	60000.00 lb
Depth to Bottom Packer:	ft				
Interval between Packers:	88.00 ft				
Tool Length:	115.00 ft				
Number of Packers:	2	Diameter:	6.75 inches		
Tool Comments:					

Tool Description	Length (ft)	Serial No.	Position	Depth (ft)	Accum. Lengths
Shut In Tool	5.00			4094.00	
Hydraulic tool	5.00			4099.00	
Jars	5.00			4104.00	
Safety Joint	2.00			4106.00	
Packer	5.00			4111.00	27.00 Bottom Of Top Packer
Packer	5.00			4116.00	
Stubb	1.00			4117.00	
Perforations	4.00			4121.00	
Recorder	0.00	8018	Inside	4121.00	
Recorder	0.00	8371	Inside	4121.00	
Change Over Sub	1.00			4122.00	
Blank Spacing	63.00			4185.00	
Change Over Sub	1.00			4186.00	
Perforations	15.00			4201.00	
Bullnose	3.00			4204.00	88.00 Bottom Packers & Anchor

Total Tool Length: 115.00



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum Inc

4924 SE 84th St
New ton KS 7114

ATTN: Sean

Pearson Trust #1

15 15s 22w Trego KS

Job Ticket: 36617

DST#: 1

Test Start: 2009.12.03 @ 20:04:11

Mud and Cushion Information

Mud Type: Gel Chem
Mud Weight: 9.00 lb/gal
Viscosity: 43.00 sec/qt
Water Loss: 7.59 in³
Resistivity: ohm.m
Salinity: 3500.00 ppm
Filter Cake: inches

Cushion Type:
Cushion Length: ft
Cushion Volume: bbl
Gas Cushion Type:
Gas Cushion Pressure: psig

Oil API: 33 deg API
Water Salinity: ppm

Recovery Information

Recovery Table

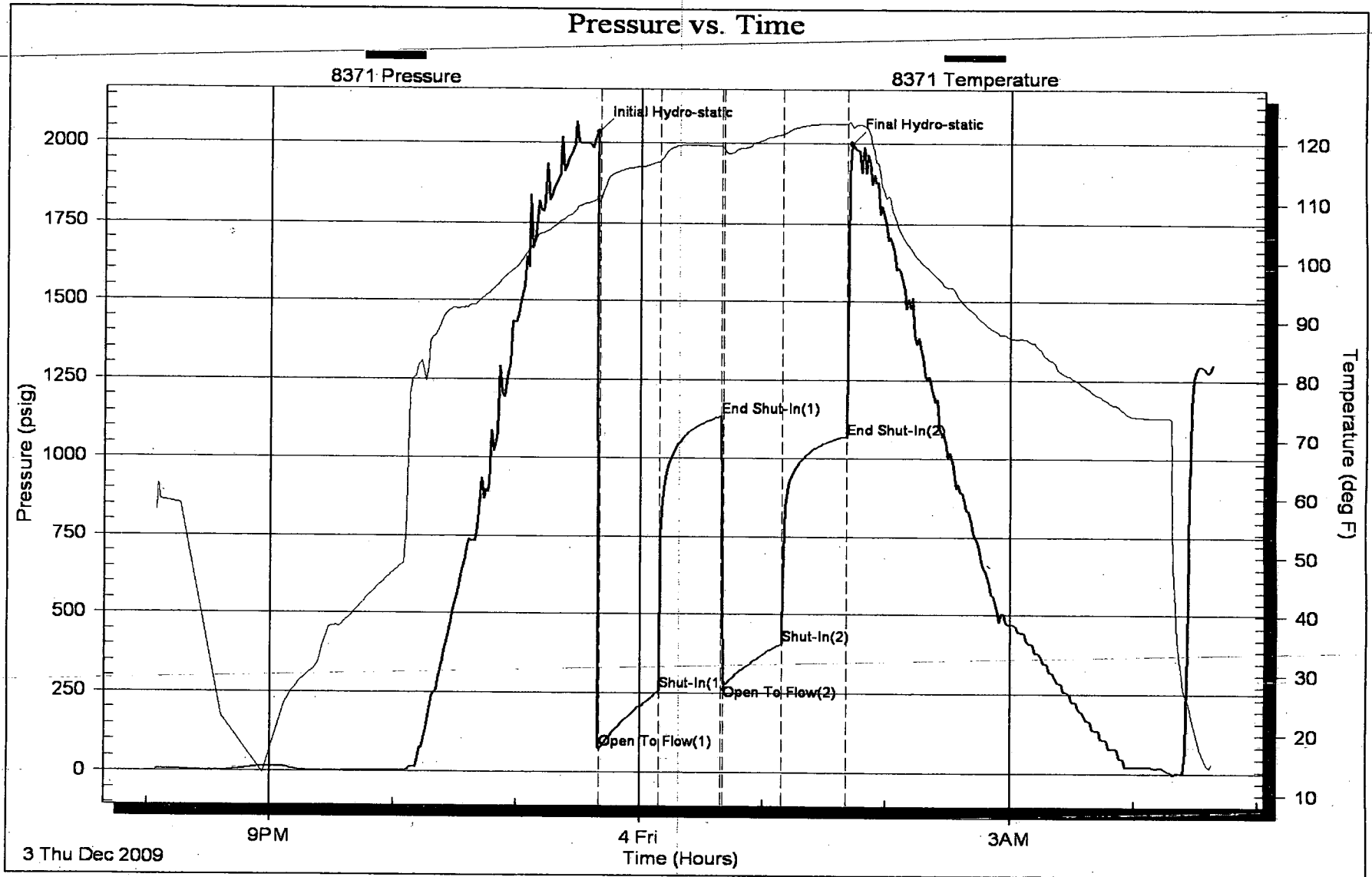
Length ft	Description	Volume bbl
255.00	GO 20%G 80%O	3.577
300.00	GSMCO 20%G 75%O 5%M	4.208
360.00	SMCO 10%G 75%O 15%M	5.050
0.00	45ft GIP	0.000

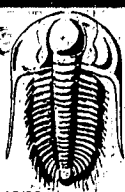
Total Length: 915.00 ft Total Volume: 12.835 bbl

Num Fluid Samples: 0 Num Gas Bombs: 0 Serial #:

Laboratory Name: Laboratory Location:

Recovery Comments:





TRILOBITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

RECEIVED
DEC 07 2009

Test Ticket

No. 36617

10/08

BY: _____

Well Name & No. Pearson Trust #1 Test No. 1 Date 12-3-09
 Company Palomino Petroleum Elevation 2262 KB 2257 GL
 Address 4924 SE 84th ST Newton KS 67114
 Co. Rep / Geo. Sean Rig Pickroll
 Location: Sec. 15 Twp. 15g Rge. 22w Co. Trego State KS

Interval Tested 4116 - 4204 Zone Tested Cherokee Sand
 Anchor Length 88 Drill Pipe Run 4093 Mud Wt. 9.2
 Top Packer Depth 4111 Drill Collars Run - Vis 43
 Bottom Packer Depth 4116 Wt. Pipe Run - WL 7.6
 Total Depth 4204 Chlorides 3,500 ppm System LCM
 Blow Description IF - BOB in 3 min
FSI - 3/4 in blow
FF - BOB in 4 min
FSI - 1 in blow

Rec	Feet of	%gas	%oil	%water	%mud
255	60	20	80		
300	GSMCO	20	75		5
360	SMCO	10	75		15
	43-47 GEP				

Rec Total 915 BHT 123 Gravity 33 API RW @ ° F Chlorides ppm

(A) Initial Hydrostatic 2,012 Test 1150 T-On Location 18:20
 (B) First Initial Flow 72 Jars 250 T-Started 20:06
 (C) First Final Flow 256 Safety Joint 75 T-Open 2:3:42
 (D) Initial Shut-In 1,137 Circ Sub T-Pulled 1:42
 (E) Second Initial Flow 279 Hourly Standby T-Out 4:40
 (F) Second Final Flow 406 Mileage 38x2 76 Comments _____
 (G) Final Shut-In 1,068 Sampler _____
 (H) Final Hydrostatic 1,913 Straddle _____
 Shale Packer _____ Ruined Shale Packer _____
 Extra Packer _____ Ruined Packer _____
 Extra Recorder _____ Extra Copies _____
 Day Standby _____
 Accessibility _____
 Sub Total 1551 Sub Total 0
 Total 1551

Approved By [Signature] Our Representative [Signature]
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