

**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 # 34233  
Name: Maverick Drilling, L.L.C.  
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.: \_\_\_\_\_  

<u>12/1/09</u>	<u>12/12/09</u>	<u>12/12/09</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-135-25002-00-00  
Spot Description: \_\_\_\_\_  
SE SE SE Sec. 7 Twp. 17 S. R. 25  East  West  
330 Feet from  North /  South Line of Section  
330 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: Ness  
Lease Name: Duane Stutz Corp. Well #: 1  
Field Name: Stutz North  
Producing Formation: Mississippian  
Elevation: Ground: 2555 Kelly Bushing: 2561  
Total Depth: 4649 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 235 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set: 1871 Feet  
If Alternate II completion, cement circulated from: 1871  
feet depth to: surface w/ 200 sx cmt.

**Drilling Fluid Management Plan** Alt II NUR 4-9-10  
*(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 23, 2010

Subscribed and sworn to before me this 23rd day of March

20 10  
Notary Public: Carla R. Penwell  
Date Commission Expires: October 2013



**KCC Office Use ONLY**  
 Letter of Confidentiality Received  
If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
\_\_\_\_\_ UIC Distribution  
**RECEIVED**  
**APR 08 2010**

**KCC WICHITA**

Operator Name: Palomino Petroleum, Inc. Lease Name: Duane Stutz Corp. Well #: 1  
 Sec. 7 Twp. 17 S. R. 25  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: <b>Radiation Guard</b>	<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:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Anhy.</td> <td>1904</td> <td>(+ 657)</td> </tr> <tr> <td>Base Anhy.</td> <td>1934</td> <td>(+ 627)</td> </tr> <tr> <td>Heebner</td> <td>3853</td> <td>(-1292)</td> </tr> <tr> <td>Lansing</td> <td>3896</td> <td>(-1335)</td> </tr> <tr> <td>BKC</td> <td>4196</td> <td>(-1635)</td> </tr> <tr> <td>Marmaton</td> <td>4240</td> <td>(-1679)</td> </tr> <tr> <td>Pawnee</td> <td>4333</td> <td>(-1772)</td> </tr> </table>	Name	Top	Datum	Anhy.	1904	(+ 657)	Base Anhy.	1934	(+ 627)	Heebner	3853	(-1292)	Lansing	3896	(-1335)	BKC	4196	(-1635)	Marmaton	4240	(-1679)	Pawnee	4333	(-1772)
Name	Top	Datum																							
Anhy.	1904	(+ 657)																							
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Lansing	3896	(-1335)																							
BKC	4196	(-1635)																							
Marmaton	4240	(-1679)																							
Pawnee	4333	(-1772)																							

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#	235'	Common	150	2% gel, 3% c.c.
Production	7 7/8"	5 1/2"	14#	4640'	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 <i>(Amount and Kind of Material Used)</i>	Depth
4	4504-4508	Acidized with 250 gal. 20% mca 3% ms	

TUBING RECORD:		Size: <u>2 7/8"</u>	Set At: <u>4628'</u>	Packer At:	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr. <u>1/26/10</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>96% 55</u>	Gas Mcf	Water Bbls. <u>4% 2</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: <div style="text-align: center; border: 1px solid black; padding: 5px;"> <b>RECEIVED</b>  <b>APR 08 2010</b> </div>
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**LOGS**

Ft. Scott	4396	(-1835)
Cherokee Sh.	4418	(-1857)
Miss.	4504	(-1943)
LTD	4649	(-2088)

RECEIVED  
APR 08 2010  
KCC WICHITA



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



# Invoice

DATE	INVOICE #
1/4/2010	16851

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

RECEIVED

JAN 08 2010

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	<i>Dwayne Stutz Corp.</i> Dwayne Stut...	Ness	DS&W Well Servi...	Oil	Development	Acidize Perfs	Nick
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way				20	Miles	5.00	100.00
501D	Acid Pump Charge				1	Job	600.00	600.00
303 - 20%	MCA Acid				250	Gallons	2.25	562.50
232	Musal ESA-64				8	Gallon(s)	15.00	120.00
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							1,452.50
	Sales Tax Ness County						5.30%	0.00

Thank You For Your Business In 2009!  
 We Look Forward To Serving You In 2010!

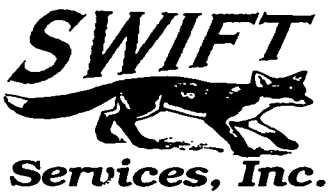
Total

\$1,452.50

RECEIVED

APR 08 2010

KCC WICHITA



CHARGE TO: *Palomino Pet.*  
 ADDRESS:  
 CITY, STATE, ZIP CODE:

RECEIVED  
 APR 08 2010  
 KCC WICHITA

TICKET No. 16851  
 PAGE 1 OF 1

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

WELL/PROJECT NO. *#1*  
 LEASE *Dwayne Stutz Corp*  
 COUNTY/PARISH *Ness*  
 STATE *Ks*  
 CITY  
 DATE *1-4-10*  
 OWNER *same*

TICKET TYPE  
 SERVICE  
 SALES  
 CONTRACTOR *DS & W*  
 RIG NAME/NO.  
 SHIPPED VIA *CF*  
 DELIVERED TO *Location*  
 ORDER NO.

WELL TYPE *oil*  
 WELL CATEGORY *Development*  
 JOB PURPOSE *Acidize Perf's*  
 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 #111</i>	<i>20</i>	<i>mi</i>			<i>5.00</i>	<i>100.00</i>	<i>100.00</i>
<i>501</i>		<i>1</i>			<i>Acid Pump Charge</i>	<i>1</i>	<i>ro</i>			<i>600.00</i>	<i>600.00</i>	<i>600.00</i>
<i>303</i>		<i>2</i>			<i>MCA Acid</i>	<i>250</i>	<i>gal</i>	<i>20</i>	<i>%</i>	<i>2.25</i>	<i>562.50</i>	<i>562.50</i>
<i>232</i>		<i>2</i>			<i>Musal</i>	<i>8</i>	<i>gal</i>			<i>15.00</i>	<i>120.00</i>	<i>120.00</i>
<i>235</i>		<i>2</i>			<i>INH-1</i>	<i>1</i>	<i>gal</i>			<i>35.00</i>	<i>35.00</i>	<i>35.00</i>
<i>249</i>		<i>2</i>			<i>STR-1</i>	<i>1</i>	<i>gal</i>			<i>35.00</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 *Ron D. Shuber*  
 DATE SIGNED *1-4-10* TIME SIGNED *1345*  
 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>1452.50</i>
WE UNDERSTOOD AND MET YOUR NEEDS?				
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				<i>Ness TAX 5.3%</i>
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL <i>1452.50</i>

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

SWIFT OPERATOR *Mark Korbe* APPROVAL

Thank You!

**JOB LOG**

**SWIFT Services, Inc.**

DATE: 1-4-10 PAGE NO. 7

CUSTOMER: *Palomina Petroleum*

WELL NO. #1

LEASE: *Dwayne Stutz Corp*

JOB TYPE: *Acidize Perfs*

TICKET NO. 16851

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1220							on loc setup Trk
								5 1/2" x #
	1247	6	0				0	Start Acid
	1248	6	6				0	Start Flush
	1305		110				0	Acid @ perfs shut down
	1308	.5	110.5				0/200	Bump
	1310	.5	111.5				0/200	Bump
	1312	.5	112				0	Feeding
	1320		116				0	Flushed
								151P Vacuum

Thank you  
Nick & Josh F.

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APR 08 2010

KCC WICHITA

# SWIFT



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



## Invoice

DATE	INVOICE #
12/21/2009	17282

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

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DEC 24 2009

- Acidizing
- Cement
- Tool Rental

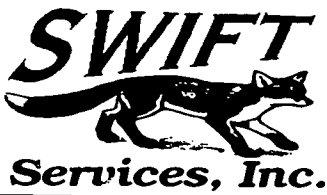
TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Duane Stutz Corp	Ness	DS&W Well Servi...	Oil	Development	Cement Port Collar	Wayne
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				30	Miles	5.00	150.00
576D-D	Pump Charge - Port Collar				1	Job	1,100.00	1,100.00
105	Port Collar Tool Rental With Man				1	Each	300.00	300.00T
330	Swift Multi-Density Standard (MIDCON II)				200	Sacks	14.00	2,800.00T
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				299.55	Ton Miles	1.00	299.55
	Subtotal							5,094.55
	Sales Tax Ness County						5.30%	171.99

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KCC WICHITA

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

Total

\$5,266.54



CHARGE TO: <b>PALOMINO PETROLEUM</b>
ADDRESS
CITY, STATE, ZIP CODE

RECEIVED  
APR 08 2010

TICKET  
17282

PAGE	OF
1	1

KCC WICHITA

SERVICE LOCATIONS 1. <b>NESS City, Ks</b>	WELL/PROJECT NO. #1	LEASE <b>DUANE STUTZ</b>	COUNTY/PARISH <b>NESS</b>	STATE <b>Ks</b>	CITY <b>NESS</b>	DATE <b>12-21-09</b>	OWNER <b>SAME</b>
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <b>DS-W</b>	RIG NAME/NO.	SHIPPED VIA <b>CT</b>	DELIVERED TO <b>LOCATION</b>	ORDER NO.	
3.	WELL TYPE <b>OIL</b>	WELL CATEGORY <b>DEVELOPMENT</b>	JOB PURPOSE <b>CEMENT PORT COLLAR</b>	WELL PERMIT NO.	WELL LOCATION <b>NESS City, Ks - 10w, 9 1/2w, 1 1/2w</b>		
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 # 114	30	ME			5.00	150.00
576D		1			PUMP CHARGE	1	JOB			1100.00	1100.00
105		1			PORT COLLAR OPERING TOOL	1	JOB			300.00	300.00
330		1			SWIFT MULTI-DEGREE STANDARDS	200	SKS			14.00	2800.00
276		1			FLOCELE	50	LBS			1.50	75.00
290		1			D-ADD	2	GAL			35.00	70.00
581		1			SERVICE CHARGE CEMENT	200	SKS			1.50	300.00
583		1			DRYAGE	1997	LBS	299.55	TM	1.00	299.55

**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

*[Signature]*  
DATE SIGNED **12-21-09** TIME SIGNED **1300**

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?					
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	5266.54

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

SWIFT OPERATOR **WAKE WILSON** APPROVAL

Thank You!



**JOB LOG**

**SWIFT Services, Inc.**

DATE 12-21-09 PAGE NO. 7

CUSTOMER **PALOMIZO PETROLEUM** WELL NO. # **1** LEASE **DUAJE STUTZ** JOB TYPE **CEMENT PORT COLLAR** TICKET NO. **17282**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL)(GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1300							ON LOCATION
								TUBING - 2 3/8
								CASING - 5 1/2
								PORT COLLAR - 1871
	1350				✓		1000	PSE TEST CASING - HELD
	1355	3 1/2	3	✓		300		OPEN PORT COLLAR - INJ RATE
	1400	4 1/2	111	✓		400		MAX CEMENT 200 SKS SMD 1/4" SIL FLOECE
	1425	4	6	✓		600		DISPLACE CEMENT
	1435			✓		1000		CLOSE PORT COLLAR - PSE TEST - HELD
								CIRCULATED 20 SKS CEMENT TO PRT
	1455	4	25	✓		500		RUN 4 JTS - CIRCULATE CLEAN
								WASH TRUCK
								PULL TOOL
	1530							JOB COMPLETE
								THANK YOU
								WANE, BRETT, LAJE

RECEIVED  
APR 08 2010  
KCC WICHITA

# SWIFT



Services, Inc.

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



## Invoice

DATE	INVOICE #
12/12/2009	16670

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

RECEIVED

DEC 17 2009

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Duane Stutz <i>(217)</i>	Ness	Maverick Drilling	Oil	Development	LongString	Dave
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				20	Miles	5.00	100.00
578D-L	Pump Charge - Long String				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				10	Each	55.00	550.00T
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
582D	Minimum Drayage Charge				1	Each	250.00	250.00
	Subtotal							9,310.00
	Sales Tax Ness County						5.30%	384.78

RECEIVED  
APR 08 2010  
KCC WICHITA

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

**Total** \$9,694.78



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

RECEIVED  
 APR 08 2010  
 KCC WICHITA

TICKET  
 No 16670  
 PAGE 1 OF 2

SERVICE LOCATIONS 1. <u>HAYS</u>	WELL/PROJECT NO. <u>1</u>	LEASE <u>DUANE STUTZ</u>	COUNTY/PARISH <u>NESS</u>	STATE <u>KS</u>	CITY	DATE <u>12-12-09</u>	OWNER
2. <u>NESS</u>	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR	RIG NAME/NO. <u>MARICHA DRUG #102</u>	SHIPPED VIA <u>GT</u>	DELIVERED TO <u>360, 45 Paces ARWOOD</u>	ORDER NO.	
3.	WELL TYPE <u>OIL</u>	WELL CATEGORY <u>Develop</u>	JOB PURPOSE <u>LONGSTRINGS</u>	WELL PERMIT NO. <u>15-135-25002</u>	WELL LOCATION <u>S7.717, R25</u>		
4. 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			
<u>575</u>		<u>1</u>			MILEAGE #102	<u>20</u>	<u>mi</u>		<u>5</u>	<u>00</u>	<u>100</u> <u>00</u>	
<u>578</u>		<u>1</u>			Pump SERVICE	<u>1</u>	<u>EA</u>		<u>1400</u>	<u>00</u>	<u>1400</u> <u>00</u>	
<u>221</u>		<u>1</u>			LIQUID WCL	<u>2</u>	<u>KAR</u>		<u>25</u>	<u>00</u>	<u>50</u> <u>00</u>	
<u>281</u>		<u>1</u>			MWD FLUSH	<u>500</u>	<u>GAL</u>		<u>1</u>	<u>00</u>	<u>500</u> <u>00</u>	
<u>290</u>		<u>1</u>			D-AIR	<u>2</u>	<u>GAL</u>		<u>35</u>	<u>00</u>	<u>70</u> <u>00</u>	
<u>402</u>		<u>1</u>			CENTRALIZER	<u>10</u>	<u>EA</u>	<u>5 1/2</u>	<u>in</u>	<u>55</u>	<u>00</u>	<u>550</u> <u>00</u>
<u>403</u>		<u>1</u>			CMZ BAGNET	<u>3</u>	<u>EA</u>	<u>5 1/2</u>	<u>in</u>	<u>180</u>	<u>00</u>	<u>540</u> <u>00</u>
<u>404</u>		<u>1</u>			PORT COLLAR <u>1871F1</u>	<u>1</u>	<u>EA</u>	<u>5 1/2</u>	<u>in</u>	<u>1900</u>	<u>00</u>	<u>1900</u> <u>00</u>
<u>406</u>		<u>1</u>			LATCH DOWN PLUG & BAFFLE	<u>1</u>	<u>EA</u>	<u>5 1/2</u>	<u>in</u>	<u>225</u>	<u>00</u>	<u>225</u> <u>00</u>
<u>407</u>		<u>1</u>			INSECT FLOAT SHADE w/AUTO FRL	<u>1</u>	<u>EA</u>	<u>5 1/2</u>	<u>in</u>	<u>275</u>	<u>00</u>	<u>275</u> <u>00</u>
<u>119</u>		<u>1</u>			ROTATING HEAD REMARK	<u>1</u>	<u>EA</u>	<u>5 1/2</u>	<u>in</u>	<u>150</u>	<u>00</u>	<u>150</u> <u>00</u>

**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 12/12/09 TIME SIGNED 0600  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?				<u>PL-1</u>	<u>5760</u> <u>00</u>
WE UNDERSTOOD AND MET YOUR NEEDS?				<u>PL-2</u>	<u>3550</u> <u>00</u>
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				<u>sub TOTAL</u>	<u>9310</u> <u>00</u>
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				<u>NESS TAX 5.3%</u>	<u>384</u> <u>78</u>
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				<b>TOTAL</b>	<b>9694</b> <b>78</b>
<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 Dave H APPROVAL [Signature]

Thank You!



**JOB LOG**

**SWIFT Services, Inc.**

DATE 12-12-09 PAGE NO. 1

CUSTOMER PALOMINO PETROLEUM WELL NO. 1 LEASE DAVANE STUTZ JOB TYPE LEASING TICKET NO. 16670

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (ACT)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0600							ON LOCATION, LAYING DOWN VEEV CMT: 100S&SMD, 100S&S EA-2 RTD 51650, Ser Pipe 4840, SJ 20.60, TUBING 4619 5/2 14" new, RET COLDRON TQ # 71, 1871 FT CMT 1, 2, 4, 6, 8, 11, 14, 16, 19, 70 BARRETS 3, 7, 71
	1045							START GS 68 F WATER
	1300							TAK BUTTEN DRIP BARR
	1310							BREAK CIRC 1/2 IC & ROTATE PIPE
	1430		8					PLUG RH 3D
	1435	5.0	12		✓		200	MUD FLUSH 500S&S
			20		✓			WCL FLUSH
			25.0		✓			LEAD CMT SMD
	1452		24.2		✓			TAIL CMT EA-2
	1455	6.0	0		-		200	DROPPED PLUG, WASH OUT PL, START DRIP
			63.5		✓		200	CMT ON BUTTEN
			80.0		-		400	
			100.0		-		500	
			105.0		-		600	
			110.0		✓		700	
	1515	4.5	112.7		-		1600	CAND PLUG
	1530							RELEASE - DRY
								JOB COMPLETE
								THANK YOU!
								DALE JOSH B, ROB

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APR 08 2010  
KCC WICHITA

Quality Oilwell Cementing Inc.

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

RECEIVED

DEC 05 2009

# Invoice

Date	Invoice #
12/3/2009	2138

<b>Bill To</b>
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	300.00	300.00
1	surface pipes 0-500ft	450.00	450.00
22	pump truck mileage charge	7.00	154.00
352	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-352.00
244	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-244.00
	LEASE: DUANE STUTZ WELL #1 <i>Corp.</i> Out-of-state sale, exempt from sales tax	0.00%	0.00
		<b>RECEIVED</b>	
		<b>APR 08 2010</b>	
		<b>KCC WICHITA</b>	
Thank you for your business. Dave		<b>Total</b>	\$2,385.00

# QUALITY OILWELL CEMENTING, INC.

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

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

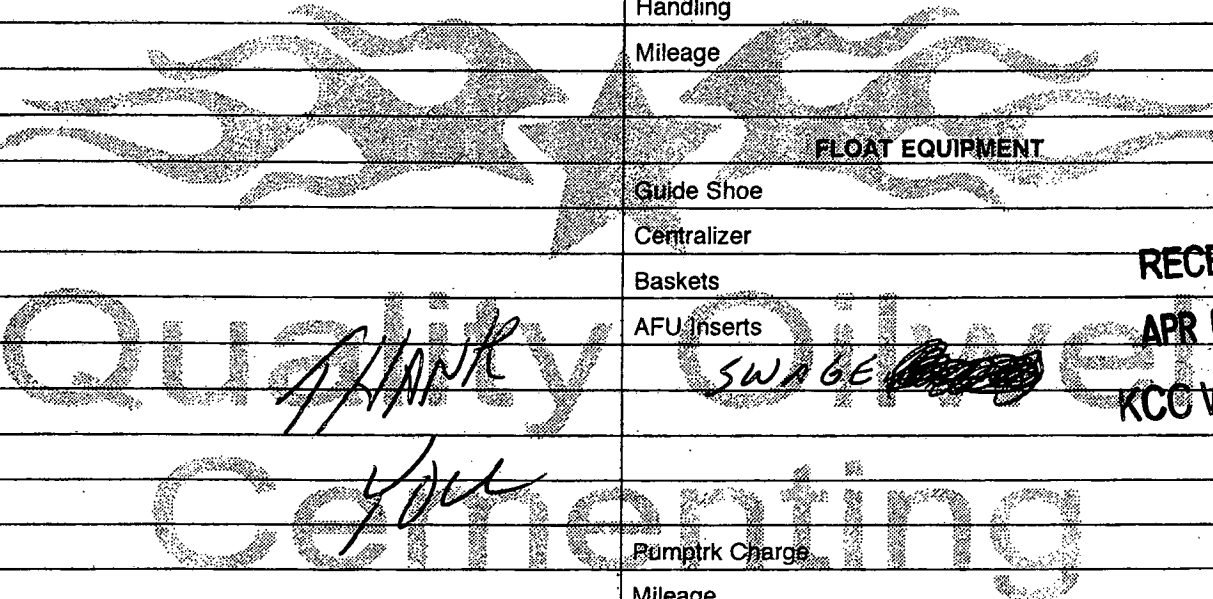
No. 3585

Date	12-2-09	Sec.	7	Twp.	17	Range	25 W	County	NESS	State	KS	On Location		Finish	1:45 AM				
Lease	DUANE STATE			Well No.	1		Location ARNOLD 3 W 4 1/2 S WNS INTO												
Contractor	MAVERICK			102		Owner 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.													
Type Job	SFC			Charge To PALUMINO															
Hole Size	12 1/4			T.D.	235'			Depth 235'											
Csg.	8 3/4 20#			Tbg. Size															
Tool				Depth				Street				City				State			
Cement Left in Csg. 15'				Shoe Joint				The above was done to satisfaction and supervision of owner agent or contractor.											
Meas Line				Displace 14 1/4 Bbls.				CEMENT											
EQUIPMENT						Amount Ordered 150 Com 3% CC 2% GEL													
Pumptrk	9	No.	Cementor	Helper PAUL			Common												
Bulktrk	8	No.	Driver	JASON			Poz. Mix												
Bulktrk	PN	No.	Driver	DARRIN			Gel.												
JOB SERVICES & REMARKS						Calcium													
Remarks:						Hulls													
						Salt													
						Flowseal													
						Handling													
						Mileage													
						FLOAT EQUIPMENT													
						Guide Shoe													
						Centralizer													
						Baskets													
						AFU Inserts													
						Pumptrk Charge													
						Mileage													
						Tax													
						Discount													
						Total Charge													

CEMENT  
Circulated

THANK  
you

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APR 08 2010  
KCO WICHITA



X Signature Bell Sheen

Company Palomino Petroleum, Inc.  
 Address 4924 SE 84th Street  
 CSZ Newton, KS 67114  
 Attn. Sean Deenihan

Lease Name Duane Stutz Corp.  
 Lease # 1  
 Legal Desc SE SE SE  
 Section 7  
 Township 17S  
 County Ness  
 Drilling Cont Maverick Drilling #102

Job Ticket 3067  
 Range 25W  
 State KS

Comments Field: Stutz North

GENERAL INFORMATION

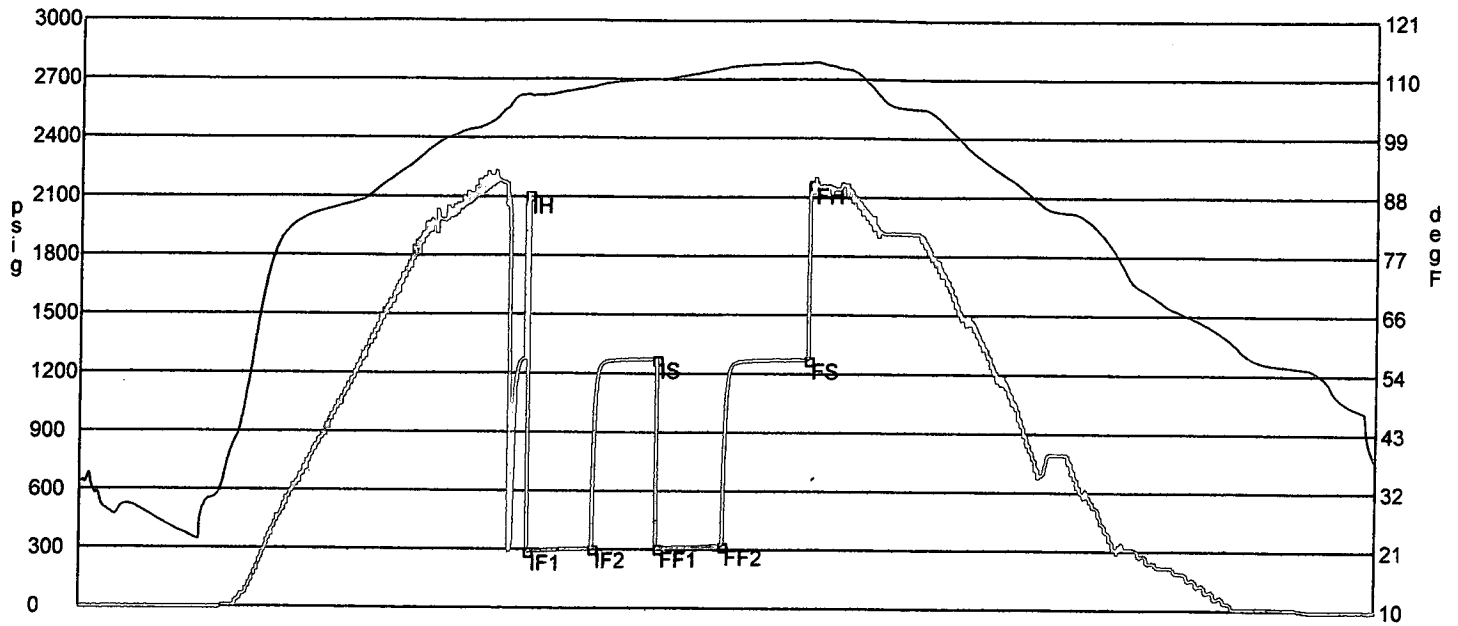
Test # 1	Test Date 12/10/2009	Chokes 3/4	Hole Size 7 7/8
Tester Jimmy Ricketts		Top Recorder # 13767	
Test Type Conventional Bottom Hole		Mid Recorder #	
Successful Test		Bott Recorder # w1023	
# of Packers 2.0	Packer Size 6 3/4	Mileage 200	Approved By
Mud Type Gel Chem		Standby Time 0	
Mud Weight 9.2	Viscosity 49.0	Extra Equipmnt Jars & Safety Joint	
Filtrate 9.2	Chlorides 6700	Time on Site 12:00 AM	
Drill Collar Len 30.0		Tool Picked Up 2:30 AM	
Wght Pipe Len 0		Tool Layed Dwn 10:00 AM	
Formation Mississippian		Elevation 2555.00	Kelley Bushings 2561.00
Interval Top 4470.0	Bottom 4522.0	Start Date/Time 12/10/2009 1:48 AM	
Anchor Len Below 52.0	Between 0	End Date/Time 12/10/2009 11:45 AM	
Total Depth 4522.0			
Blow Type Weak blow building to 4" initial flow period. Weak blow building to 4" final flow period. Times: 30,30,30,30. Oil gravity was 42 API.			

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
10	Clean oil	0% 0ft	100% 10ft	0% 0ft	0% 0ft
620	Oil cut mud	0% 0ft	4% 24.8ft	0% 0ft	96% 595.2ft
DST Fluids		0			

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	Date	Time	Pressure	Temp	
IH	12/10/2009 5:13:00 AM	3.416667	2111.078	107.069	Initial Hydro-static
IF1	12/10/2009 5:13:30 AM	3.425	290.114	106.877	Initial Flow (1)
IF2	12/10/2009 5:43:30 AM	3.925	305.609	108.522	Initial Flow (2)
IS	12/10/2009 6:12:50 AM	4.413889	1274.616	110.033	Initial Shut-In
FF1	12/10/2009 6:13:40 AM	4.427778	307.565	109.903	Final Flow (1)
FF2	12/10/2009 6:43:30 AM	4.925	320.695	112.036	Final Flow (2)
FS	12/10/2009 7:22:40 AM	5.577778	1272.728	113.009	Final Shut-In
FH	12/10/2009 7:24:00 AM	5.6	2167.186	113.17	Final Hydro-static

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke

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Company	<b>Palomino Petroleum, Inc.</b>	Lease Name	<b>Duane Stutz Corp.</b>
Address	<b>4924 SE 84th Street</b>	Lease #	<b>1</b>
CSZ	<b>Newton, KS 67114</b>	Legal Desc	<b>SE SE SE</b>
Attn.	<b>Sean Deenihan</b>	Section	<b>7</b>
		Township	<b>17S</b>
		County	<b>Ness</b>
		Drilling Cont	<b>Maverick Drilling #102</b>
Comments	<b>Field: Stutz North</b>	Job Ticket	<b>3067</b>
		Range	<b>25W</b>
		State	<b>KS</b>

**GENERAL INFORMATION**

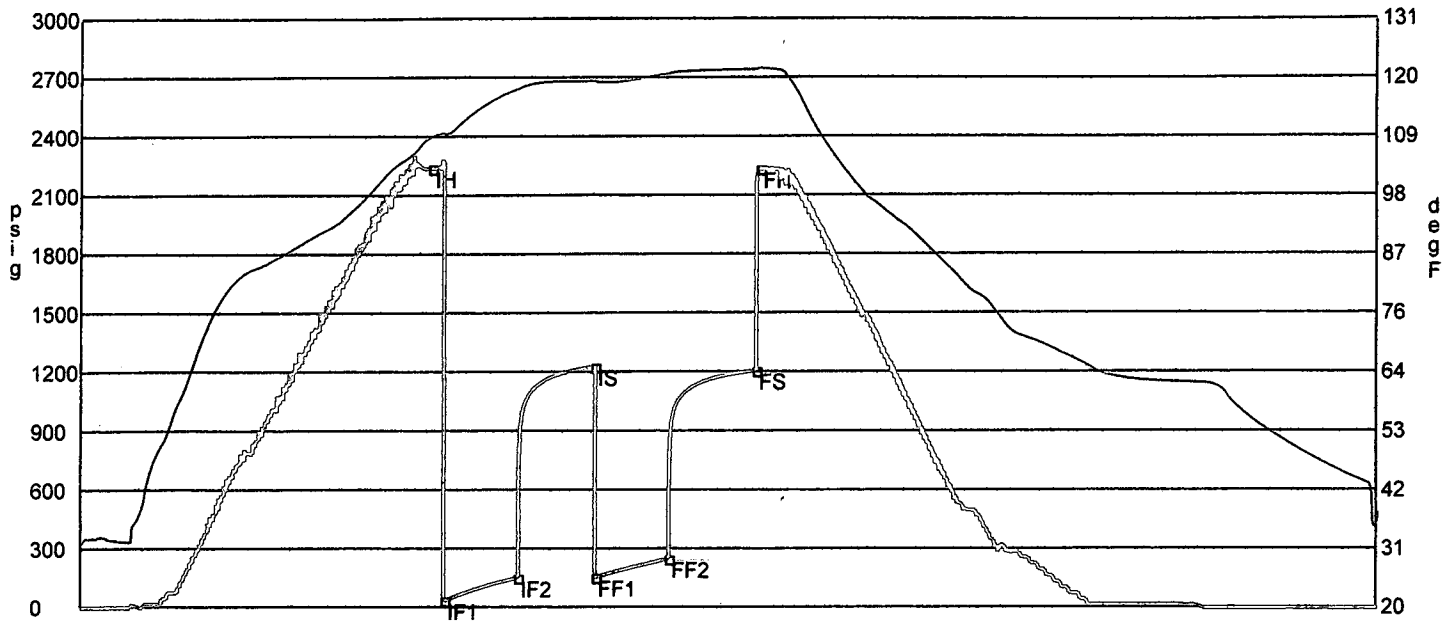
Test #	<b>2</b>	Test Date	<b>12/11/2009</b>	Chokes	<b>3/4</b>	Hole Size	<b>7 7/8</b>
Tester	<b>Jimmy Ricketts</b>			Top Recorder #	<b>w1023</b>		
Test Type	<b>Straddle</b>			Mid Recorder #			
	<b>Successful Test</b>			Bott Recorder #	<b>13767</b>		
# of Packers	<b>3.0</b>	Packer Size	<b>6 3/4</b>	Mileage	<b>0</b>	Approved By	
Mud Type	<b>Gel Chem</b>			Standby Time	<b>0</b>		
Mud Weight	<b>9.4</b>	Viscosity	<b>54.0</b>	Extra Equipmnt	<b>Jars, Safety Joint, and Small Packer</b>		
Filtrate	<b>106.0</b>	Chlorides	<b>5500</b>	Time on Site	<b>9:30 AM</b>		
Drill Collar Len	<b>0</b>			Tool Picked Up	<b>10:30 AM</b>		
Wght Pipe Len	<b>0</b>			Tool Layed Dwn	<b>6:00 PM</b>		
Formation	<b>Mississippian</b>			Elevation	<b>2555.00</b>	Kelley Bushings	<b>2561.00</b>
Interval Top	<b>4500.0</b>	Bottom	<b>4532.0</b>	Start Date/Time	<b>12/11/2009 10:48 AM</b>		
Anchor Len Below	<b>117.0</b>	Between	<b>32.0</b>	End Date/Time	<b>12/11/2009 7:24 PM</b>		
Total Depth	<b>4649.0</b>						
Blow Type	<b>Weak blow building to strong blow 10 minutes into initial flow period. 1" blow back during initial shut-in period. Weak blow building to strong blow 14 minutes into final flow period. 1" blow back during final shut-in period. Times: 30, 30, 30, 35. Oil gravity was 36 API.</b>						

**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
325	Clean oil	0% 0ft	100% 325ft	0% 0ft	0% 0ft
60	Heavy mud cut oil	0% 0ft	86% 51.6ft	0% 0ft	14% 8.4ft
60	Gassy heavy mud cut oil	18% 10.8ft	55% 33ft	0% 0ft	27% 16.2ft
60	Gassy oil and heavy mud cut water	5% 3ft	6% 3.6ft	46% 27.6ft	43% 25.8ft
65	Oil and mud cut water	0% 0ft	5% 3.2ft	86% 55.9ft	9% 5.9ft

DST Fluids **18000**

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**KCC WICHITA**



	Date	Time	Pressure	Temp	
IH	12/11/2009 1:06:50 PM	2.313889	2239.276	108.832	Initial Hydro-static
IF1	12/11/2009 1:12:10 PM	2.402778	34.706	109.231	Initial Flow (1)
IF2	12/11/2009 1:41:30 PM	2.891667	150.779	117.815	Initial Flow (2)
IS	12/11/2009 2:12:00 PM	3.4	1226.093	119.236	Initial Shut-In
FF1	12/11/2009 2:12:30 PM	3.408333	154.121	119.107	Final Flow (1)
FF2	12/11/2009 2:41:40 PM	3.894444	247.637	120.61	Final Flow (2)
FS	12/11/2009 3:16:20 PM	4.472222	1206.092	121.435	Final Shut-In
FH	12/11/2009 3:17:50 PM	4.497222	2233.763	121.637	Final Hydro-static

**GAS FLOWS**

Min Into IFP    Min Into FFP    Gas Flows    Pressure    Choke

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