

**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: Sean P. Deenihan  
Purchaser: NCRA

Designate Type of Completion:  
 New Well \_\_\_\_\_ Re-Entry \_\_\_\_\_ Workover  
 Oil \_\_\_\_\_ SWD \_\_\_\_\_ SLOW  
\_\_\_\_\_ 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.: \_\_\_\_\_  
2/19/10                      3/1/10                      3/1/10  
Spud Date or                      Date Reached TD                      Completion Date or  
Recompletion Date                                                                Recompletion Date

API No. 15 - 15-135-25030-0000  
Spot Description: \_\_\_\_\_  
E/2 NW NW NE Sec. 20 Twp. 17 S. R. 23  East  West  
330 Feet from  North /  South Line of Section  
2210 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: Ness  
Lease Name: Delaney Well #: 1  
Field Name: None (Wildcat)  
Producing Formation: Mississippian  
Elevation: Ground: 2429 Kelly Bushing: 2434  
Total Depth: 4607 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 507 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set: 1705 Feet  
If Alternate II completion, cement circulated from: 1705  
feet depth to: surface w/ 150 sx cmt.

**Drilling Fluid Management Plan** Alt II NCR 5-12-10  
*(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: May 7, 2010

Subscribed and sworn to before me this 7th day of May,  
20 10.

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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KANSAS CORPORATION COM  
MAY 10 2010  
CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Palomino Petroleum, Inc. Lease Name: Delaney Well #: 1  
 Sec. 20 Twp. 17 S. R. 23  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, Sonic, Micro, Dual Induction,                  Compensated Density/Neutron</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>1734</td> <td>(+ 700)</td> </tr> <tr> <td>Base Anhy.</td> <td>1766</td> <td>(+ 668)</td> </tr> <tr> <td>Topeka</td> <td>3518</td> <td>(-1084)</td> </tr> <tr> <td>Heebner</td> <td>3800</td> <td>(-1366)</td> </tr> <tr> <td>Lansing</td> <td>3836</td> <td>(-1402)</td> </tr> <tr> <td>BKC</td> <td>4120</td> <td>(-1686)</td> </tr> <tr> <td>Marmaton</td> <td>4196</td> <td>(-1762)</td> </tr> </table>	Name	Top	Datum	Anhy.	1734	(+ 700)	Base Anhy.	1766	(+ 668)	Topeka	3518	(-1084)	Heebner	3800	(-1366)	Lansing	3836	(-1402)	BKC	4120	(-1686)	Marmaton	4196	(-1762)
Name	Top	Datum																							
Anhy.	1734	(+ 700)																							
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Lansing	3836	(-1402)																							
BKC	4120	(-1686)																							
Marmaton	4196	(-1762)																							

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#	507'	Common	230	2% gel, 3% c.c.
Production	7 7/8"	5 1/2"	14#	4595'	SMD	500	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
4	4438-4440		
		<b>RECEIVED</b> <b>KANSAS CORPORATION COMMISSION</b>  <b>MAY 10 2010</b>  <b>CONSERVATION DIVISION</b> <b>WICHITA, KS</b>	

TUBING RECORD: Size: <u>2 7/8"</u> Set At: <u>4568'</u> Packer At: _____		Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr. <u>4/10/10</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>2%</u> <u>6</u>	Gas Mcf _____ Water Bbls. <u>98%</u> <u>294</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**

Pawnee	4230	(-1796)
Ft. Scott	4324	(-1890)
Cherokee	4348	(-1914)
Warsaw	4425	(-1991)
Gilmore City	4556	(-2122)
LTD	4607	(-2173)

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KANSAS CORPORATION COMMISSION

MAY 10 2010

CONSERVATION DIVISION  
WICHITA, KS



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

# Invoice

DATE	INVOICE #
3/16/2010	18345

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

- Acidizing
- Cement
- Tool Rental

**RECEIVED**  
 MAR 18 2010

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Delaney	Ness	DS&W Well Servi...	Oil	Development	Cement Port Collar	Brett
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				10	Miles	5.00	50.00
576D-D	Pump Charge - Port Collar				1	Job	1,100.00	1,100.00
581D	Service Charge Cement				200	Sacks	1.50	300.00
582D	Minimum Drayage Charge				1	Each	250.00	250.00
330	Swift Multi-Density Standard (MIDCON II)				150	Sacks	14.00	2,100.00T
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							4,245.00
	Sales Tax Ness County						5.30%	134.89

**We Appreciate Your Business!**

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 KANSAS CORPORATION COMMISSION

**Total**

\$4,379.89

MAY 10 2010



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

TICKET  
18345

PAGE 1 OF 1

SERVICE LOCATIONS 1. <u>Ness City KS</u>	WELL/PROJECT NO. 1	LEASE <u>Delaney</u>	COUNTY/PARISH <u>Ness</u>	STATE <u>KS</u>	CITY <u>Ness City</u>	DATE <u>3-16-10</u>	OWNER
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <u>DSW Well Service</u>	RIG NAME/NO.	SHIPPED VIA	DELIVERED TO <u>Ransom</u>	ORDER NO.	
3.	WELL TYPE <u>Oil</u>	WELL CATEGORY <u>Development</u>	JOB PURPOSE <u>Cement Port Collar</u>	WELL PERMIT NO.	WELL LOCATION <u>Ness City 7N 1/2 S 14E</u>		
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	10	mi			5.00	50.00
576		1			Pump Charge Port Collar	1	ea			1100.00	1100.00
581		1			Service Charge Cement	200	sk			1.50	300.00
582		1			Minimum Drayage	1	ea			250.00	250.00
330		1			Swift Multi-Density	150	sk			14.00	2100.00
276		1			Flocele	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

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KANSAS CORPORATION COMMISSION  
MAY 10 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 [Signature]  
 DATE SIGNED 3-16-10 TIME SIGNED 1030  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	4245.00
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?				Ness TAX 5.3%	134.89
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	4379.89
<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 Corsari

APPROVAL \_\_\_\_\_ Thank You!

**JOB LOG**

**SWIFT Services, Inc.**

DATE 3-16-10 PAGE NO.

CUSTOMER Palomino Petroleum WELL NO. 1 LEASE DeLaney JOB TYPE Cement Port Collar TICKET NO. 18345

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1030							On Location 2 3/8 x 5 1/2 PC @ 1705'
	1100			✓			1000	Pressure Test Annular - Held
	1105	3		✓		400		Open Tool - Injection Rate
	1110	3		✓		400		Start Cement 11.2 ppg
		4	75	✓		400		Cement to Surface <del>25</del>
			83	✓		400		Shut Down - Start Displacement 150 sks Total - 15 sks to pit
	1135		6			200		Shut Down - Shut in
						1000		Close Tool - Pressure Test - Held
								Run 5 JTs
	1150		20	✓				Reverse Clean
								Wash Truck
	1230							Job Complete
								Thank you Brett, Dave & Russ

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KANSAS CORPORATION COMMISSION

MAY 10 2010

CONSERVATION DIVISION  
WICHITA, KS



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



# Invoice

DATE	INVOICE #
3/1/2010	18332

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

RECEIVED

MAR 04 2010

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Delaney	Ness	Shields Drilling	Oil	Development	Cement 5-1/2" C...	Brett
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				10	Miles	5.00	50.00
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
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
290	D-Air				2	Gallon(s)	35.00	70.00T
581D	Service Charge Cement				200	Sacks	1.50	300.00
582D	Minimum Drayage Charge				1	Each	250.00	250.00
	Subtotal							9,260.00
	Sales Tax Ness County						5.30%	384.78

RECEIVED

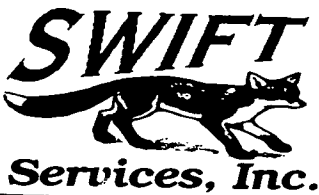
KANSAS CORPORATION COMMISSION

We Appreciate Your Business!

Total

\$9,644.78

MAY 10 2010



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

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 KANSAS CORPORATION COMMISSION  
 MAY 10 2010  
 CONSERVATION DIVISION  
 WICHITA, KS

TICKET  
 18332  
 PAGE 1 OF 2

SERVICE LOCATIONS  
 1. Ness City KS  
 2.  
 3.  
 4.  
 REFERRAL LOCATION

WELL/PROJECT NO. 1  
 LEASE Delaney  
 COUNTY/PARISH Ness  
 STATE KS  
 CITY Ness City  
 DATE 3-1-10  
 OWNER

TICKET TYPE  SERVICE  SALES  
 CONTRACTOR Shields Drilling Co.  
 RIG NAME/NO.  
 SHIPPED VIA Ransom  
 DELIVERED TO  
 ORDER NO.

WELL TYPE Oil  
 WELL CATEGORY Development  
 JOB PURPOSE Cement 5 1/2 Casing  
 WELL PERMIT NO.  
 WELL LOCATION Ness City 8N, 3/4 E Sinto

INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	DF		QTY.	U/M	QTY.	U/M	
515		1			MILEAGE Trk #114	10	mi		5.00	50.00
578		1			Pump Charge Longstring	1	lea		1400.00	1400.00
221		1			Liquid KCL	2	gal		25.00	50.00
281		1			Mud Flush	500	gal		1.00	500.00
402		1			Centralizer	10	lea	5 1/2"	55.00	550.00
403		1			Cement Basket	3	lea	5 1/2"	180.00	540.00
404		1			Port Collar	1	lea	5 1/2"	1900.00	1900.00
406		1			Latch Down Plug & Baffle	1	lea	5 1/2"	225.00	225.00
407		1			Insert Float Shoe/Auto Fill	1	lea	5 1/2"	275.00	275.00
419		1			Rotating Head Rental	1	lea	5 1/2"	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 [Signature]  
 DATE SIGNED 3-1-10 TIME SIGNED 1030  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?				Page #1	5640.00
WE UNDERSTOOD AND MET YOUR NEEDS?				Page #2	3620.00
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				subtotal	9260.00
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX	384.78
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	9644.78
<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!





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

TICKET CONTINUATION

TICKET No. 18332

CUSTOMER *Petroleum Petroleum* WELL *Delaney #1* DATE *3-1-10* PAGE 2 OF 12

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF								
325		1				Standard Cement EA-2	100	sk			11.00	1100.00
330		1				Swift Multi-Density Standard	100	sk			14.00	1400.00
276		1				Flocele	50	lbs			1.50	75.00
283		1				Salt	500	lbs			0.15	75.00
284		1				Calseal	5	sk			30.00	150.00
285		1				CFR-1	50	lbs			4.00	200.00
290		1				D-Air	2	gal			35.00	70.00
581		1				SERVICE CHARGE						
582		1				MILEAGE CHARGE						
						TOTAL WEIGHT	20460					
						LOADED MILES	10					
						CUBIC FEET	200				1.50	300.00
						TON MILES					250.00	250.00

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MAY 10 2010  
CONSERVATION DIVISION  
MCHTA, KS

CONTINUATION TOTAL 3620.00

**JOB LOG**

**SWIFT Services, Inc.**

DATE **3-1-10** PAGE NO. **1**

CUSTOMER **Palomino Petroleum** WELL NO. **1** LEASE **Delaney** JOB TYPE **Cement 5 1/2 Casing** TICKET NO. **18332**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1030							On Location 5 1/2 14# Cent. 1, 3, 4, 5, 6, 7, 8, 10, 12, 68 TD-4608' Basket 5, 8, 69 TP-4594' PC#69 1705' PS-4594' 109 Jts ST-20' 2 Jts out
	1230							Start 5 1/2 Casing
	1445							Break Circulation
	1600	6 3/4	32	✓			250	Pump Mud Flush + KCL Flush
	1605	3	7	✓				Plug Rat Hole 30 sks
	1610	3	5	✓				Plug Mouse Hole 20 sks
	1615	5		✓			200	Start Cement + 50 sks SMD @ 12.7 FPS
		5	18	✓			150	Switch Cement 100 sks EA-2 @ 15.5 FPS
			42					- Shut Down - Release Plug - Wash Pump Lines
	1630	6 3/4		✓			150	Start Displacement
		6 3/4	85	✓			300	Lift Cement
							750	Max Lift
	1645		111.6	✓			1500	Land Plug - Release - Held
								Wash Truck
	1715							Job Complete Thank you Brett, Daut

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KANSAS CORPORATION COMMISSION

MAY 10 2010

WICHITA, KS

Quality Oilwell Cementing Inc.

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

**RECEIVED**

FEB 24 2010

# Invoice

Date	Invoice #
2/22/2010	2314

<b>Bill To</b>
Palomino Petroleum Inc 4924 SE 84th Newton Ks 67114

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
230	common	10.00	2,300.00T
4	GEL	17.00	68.00T
8	Calcium	42.00	336.00T
242	handling	2.00	484.00
1	MILEAGE CHARGE	350.00	350.00
1	8 5/8 wooden plug	69.00	69.00T
1	surface pipe 500-1500ft	550.00	550.00
8	pump truck mileage charge	7.00	56.00
555	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-555.00T
288	discount if paid within 30 days DISCOUNT HAS ALREADY BEEN DEDUCTED	-1.00	-288.00
	LEASE: DELANEY WELL #1		
	Ness county Sales Tax	5.30%	117.55

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Thank you for your business. Dave

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WICHITA, KS

**Total**

\$3,487.55



Company	<b>Palomino Petroleum, Inc.</b>	Lease Name	<b>Delaney</b>	
Address	<b>4924 SE 84th St.</b>	Lease #	<b>1</b>	
CSZ	<b>Newton, KS 67114</b>	Legal Desc	<b>See Comments</b>	Job Ticket <b>2098</b>
Attn.	<b>Sean Dennihan</b>	Section	<b>20</b>	Range <b>23W</b>
		Township	<b>17S</b>	
		County	<b>Ness</b>	State <b>KS</b>
		Drilling Cont	<b>Sheilds Oil Producers, Inc. #1</b>	

Comments    **Legal Description: 330' FNL & 2210' FEL**

**GENERAL INFORMATION**

Test # 1	Test Date	<b>2/27/2010</b>	Chokes	<b>3/4</b>	Hole Size	<b>7 7/8</b>
Tester	<b>Tim Venters</b>		Top Recorder #	<b>W1119</b>		
Test Type	<b>Conventional Bottom Hole</b>		Mid Recorder #	<b>W1022</b>		
	<b>Successful Test</b>		Bott Recorder #	<b>13565</b>		
# of Packers	<b>2.0</b>	Packer Size	<b>6 3/4</b>	Mileage	<b>146</b>	Approved By
Mud Type	<b>Gel Chem</b>			Standby Time	<b>0</b>	
Mud Weight	<b>9.5</b>	Viscosity	<b>49.0</b>	Extra Equipmnt		
Filtrate	<b>10.8</b>	Chlorides	<b>6700</b>	Time on Site	<b>9:30 AM</b>	
Drill Collar Len	<b>0</b>			Tool Picked Up	<b>11:00 AM</b>	
Wght Pipe Len	<b>419.0</b>			Tool Layed Dwn	<b>5:25 PM</b>	
Formation	<b>Mississippian Dol.</b>		Elevation	<b>2429.00</b>	Kelley Bushings	<b>2434.00</b>
Interval Top	<b>4405.0</b>	Bottom	<b>4434.0</b>	Start Date/Time	<b>2/27/2010 10:31 AM</b>	
Anchor Len Below	<b>29.0</b>	Between	<b>0</b>	End Date/Time	<b>2/27/2010 5:25 PM</b>	
Total Depth	<b>4434.0</b>					
Blow Type	<b>Weak 1/4 inch blow at the start of the initial flow period, building to 4 inches</b>					
	<b>. Weak surface blow at the start of the final flow period, building to 1 inch.</b>					
	<b>Oil Gravity: 38. Times: 30, 30, 30, 60.</b>					

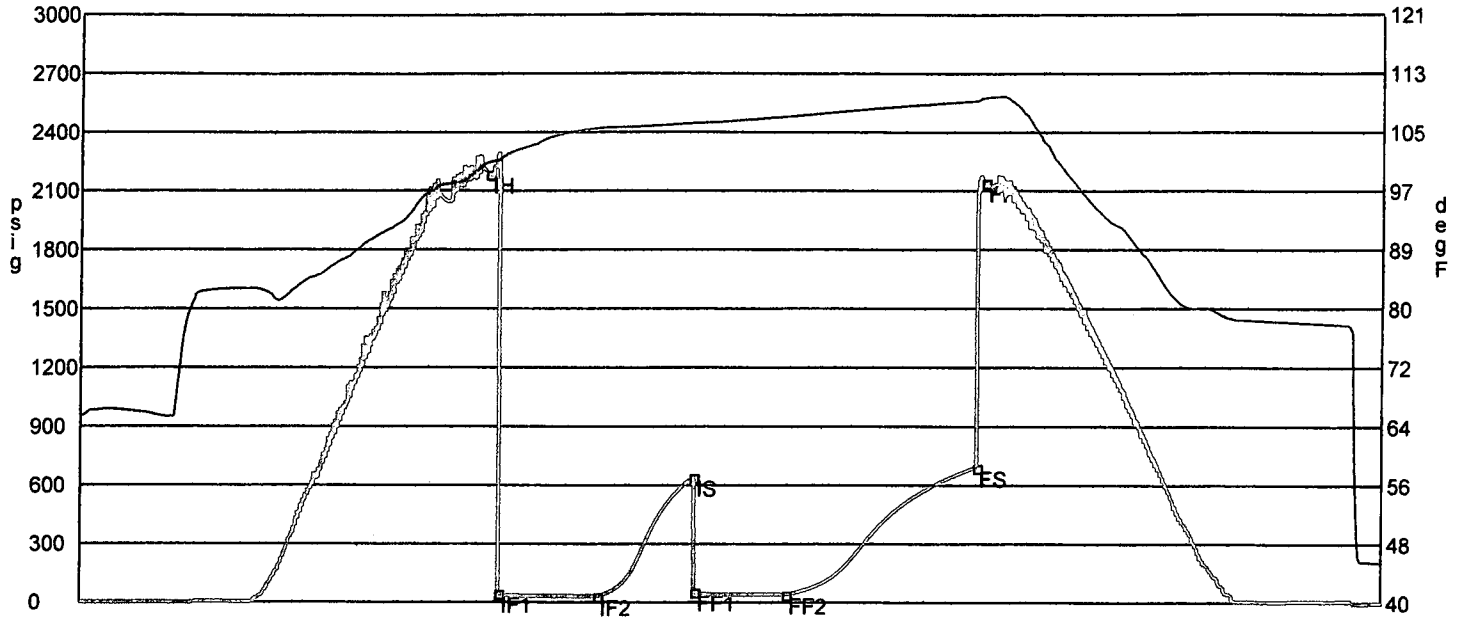
**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
70	Clean oil	0% 0ft	100% 70ft	0% 0ft	0% 0ft
30	Heavy mud cut oil	0% 0ft	64% 19.2ft	0% 0ft	36% 10.8ft
DST Fluids		<b>0</b>			

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	Date	Time	Pressure	Temp	
IH	2/27/2010 12:40:00 PM	2.15	2185.458	100.627	Initial Hydro-static
IF1	2/27/2010 12:43:30 PM	2.208333	45.517	101.012	Initial Flow (1)
IF2	2/27/2010 1:15:10 PM	2.736111	29.863	105.311	Initial Flow (2)
IS	2/27/2010 1:45:30 PM	3.241667	641.105	106.005	Initial Shut-In
FF1	2/27/2010 1:46:10 PM	3.252778	54.695	105.985	Final Flow (1)
FF2	2/27/2010 2:15:20 PM	3.738889	39.875	106.938	Final Flow (2)
FS	2/27/2010 3:15:50 PM	4.747222	691.914	109.106	Final Shut-In
FH	2/27/2010 3:18:10 PM	4.786111	2141.71	109.54	Final Hydro-static

**GAS FLOWS**

Min Into IFP    Min Into FFP    Gas Flows    Pressure    Choke

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WICHITA, KS

Company	<b>Palomino Petroleum, Inc.</b>	Lease Name	<b>Delaney</b>
Address	<b>4924 SE 84th St.</b>	Lease #	<b>1</b>
CSZ	<b>Newton, KS 67114</b>	Legal Desc	<b>See Comments</b>
Attn.	<b>Sean Dennihan</b>	Section	<b>20</b>
		Township	<b>17S</b>
		County	<b>Ness</b>
		Drilling Cont	<b>Sheilds Oil Producers, Inc. #1</b>
Comments	<b>Legal Description: 330' FNL &amp; 2210' FEL</b>		

**GENERAL INFORMATION**

Test # 2	Test Date	<b>2/28/2010</b>	Chokes	<b>3/4</b>	Hole Size	<b>7 7/8</b>
Tester	<b>Tim Venters</b>		Top Recorder #	<b>W1119</b>		
Test Type	<b>Conventional Bottom Hole</b>		Mid Recorder #	<b>W1022</b>		
	<b>Successful Test</b>		Bott Recorder #	<b>13565</b>		
# of Packers	<b>2.0</b>	Packer Size	<b>6 3/4</b>	Mileage	<b>18</b>	Approved By
				Standby Time	<b>0</b>	
Mud Type	<b>Gel Chem</b>			Extra Equipmnt		
Mud Weight	<b>9.5</b>	Viscosity	<b>49.0</b>	Time on Site	<b>11:15 PM</b>	
Filtrate	<b>10.8</b>	Chlorides	<b>6700</b>	Tool Picked Up	<b>1:20 AM</b>	
				Tool Layed Dwn	<b>8:55 AM</b>	
Drill Collar Len	<b>0</b>			Elevation	<b>2429.00</b>	Kelley Bushings <b>2434.00</b>
Wght Pipe Len	<b>419.0</b>			Start Date/Time	<b>2/28/2010 12:35 AM</b>	
Formation	<b>Mississippian</b>			End Date/Time	<b>2/28/2010 9:06 AM</b>	
Interval Top	<b>4429.0</b>	Bottom	<b>4441.0</b>			
Anchor Len Below	<b>12.0</b>	Between	<b>0</b>			
Total Depth	<b>4441.0</b>					
Blow Type	<b>Strong blow throughout the initial flow period, reaching the bottom of the bucket in 6 minutes. Weak surface blow back at the start of the initial shut-in period, building to 1 1/2 inches. Strong blow throughout the final flow period, reaching the bottom of the bucket in 9 minutes. Weak surface blow back throughout the final shut-in period. Oil Gravity: 38. Times: 30, 30, 30, 30.</b>					

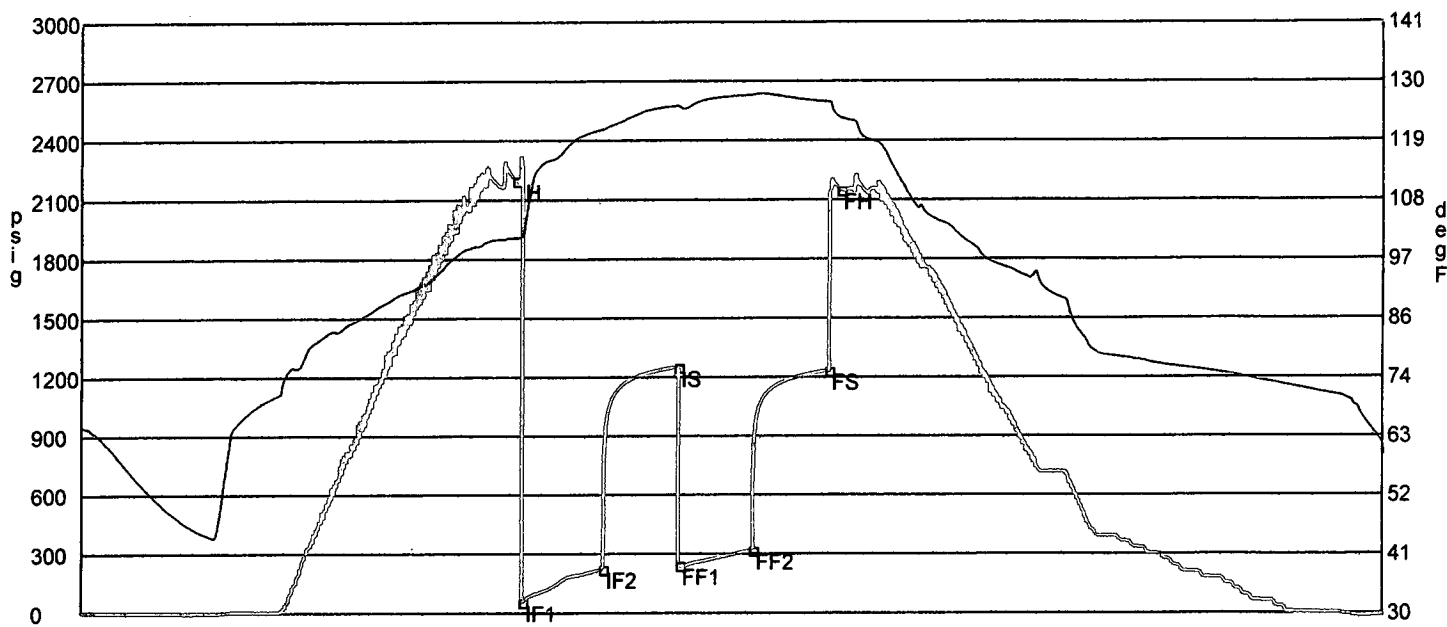
**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
140	Gas in Pipe	100% 140ft	0% 0ft	0% 0ft	0% 0ft
780	Clean oil	0% 0ft	100% 780ft	0% 0ft	0% 0ft
60	Slight water, gas and mud cut oil	20% 12ft	45% 27ft	8% 4.8ft	27% 16.2ft
60	Slight gas, water and oil cut mud	7% 4.2ft	23% 13.8ft	15% 9ft	55% 33ft
DST Fluids	<b>20000</b>				

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	Date	Time	Pressure	Temp	
IH	2/28/2010 3:24:40 AM	2.827778	2198.391	100.584	Initial Hydro-static
IF1	2/28/2010 3:27:30 AM	2.875	56.733	101.041	Initial Flow (1)
IF2	2/28/2010 3:59:10 AM	3.402778	224.448	120.88	Initial Flow (2)
IS	2/28/2010 4:28:30 AM	3.891667	1250.705	125.258	Initial Shut-In
FF1	2/28/2010 4:29:10 AM	3.902778	241.924	125.094	Final Flow (1)
FF2	2/28/2010 4:58:00 AM	4.383333	318.672	127.268	Final Flow (2)
FS	2/28/2010 5:27:40 AM	4.877778	1233.065	125.974	Final Shut-In
FH	2/28/2010 5:32:10 AM	4.952778	2148.093	123.103	Final Hydro-static

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke

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