

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

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Form ACO-1  
October 2008

AUG 05 2010

Form Must Be Typed

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

KCC WICHITA ORIGINAL

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 # 4958  
Name: Mallard JV, Inc.  
Wellsite Geologist: Sean P. Dennihan  
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.: \_\_\_\_\_  
5/10/10      5/18/10      5/18/10  
Spud Date or      Date Reached TD      Completion Date or  
Recompletion Date                Recompletion Date

API No. ~~45~~ - 15-135-25060-0000  
Spot Description: \_\_\_\_\_  
NW SE NE SE Sec. 20 Twp. 18 S. R. 26  East  West  
1670 Feet from  North /  South Line of Section  
650 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: Ness  
Lease Name: Reeves Well #: 1  
Field Name: None (Wildcat)  
Producing Formation: None  
Elevation: Ground: 2621 Kelly Bushing: 2626  
Total Depth: 4720 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 234 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**  
(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: August 4, 2010

Subscribed and sworn to before me this 4th day of August  
20 10

Notary Public: Carla R. Penwell  
Date Commission Expires: October 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  
PJA-Dig - 8/10/10

Operator Name: Palomino Petroleum, Inc. Lease Name: Reeves Well #: 1  
 Sec. 20 Twp. 18 S. R. 26  East  West County: Ness

**INSTRUCTIONS:** Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken  Yes  No  
 (Attach Additional Sheets)  
 Samples Sent to Geological Survey  Yes  No  
 Cores Taken  Yes  No  
 Electric Log Run  Yes  No  
 (Submit Copy)

List All E. Logs Run:

**Dual Induction, Sonic, Compensated  
 Density/Neutron**

Log Formation (Top), Depth and Datum  Sample

Name	Top	Datum
Anhy.	1986	(+ 640)
Base Anhy.	2016	(+ 610)
Topeka	3666	(-1040)
Heebner	3946	(-1320)
Lansing	3985	(-1359)
BKC	4323	(-1697)
Marmaton	4366	(-1740)

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**CASING RECORD**  New  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#	234'	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	Acid, Fracture, Shot, Cement Squeeze Record	Depth
	Specify Footage of Each Interval Perforated	(Amount and Kind of Material Used)	

TUBING RECORD: Size: \_\_\_\_\_ Set At: \_\_\_\_\_ Packer At: \_\_\_\_\_ Liner Run:  Yes  No

Date of First, Resumed Production, SWD or Enhr. \_\_\_\_\_ Producing Method:  Flowing  Pumping  Gas Lift  Other (Explain) \_\_\_\_\_

Estimated Production Per 24 Hours	Oil Bbbs.	Gas Mcf	Water Bbbs.	Gas-Oil Ratio	Gravity

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

Pawnee	4456	(-1830)
Ft. Scott	4510	(-1884)
Cherokee Sh.	4534	(-1908)
Cherokee Sd.	None	
Miss.	4612	(-1986)
LTD	4720	(-2094)

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# QUALITY OILWELL CEMENTING, INC.

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

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

No. 3763

Date 5-10-2010 Sec. 20 Twp. 18 Range 26 County Wess State Ks On Location (Russell) Finish 8:30pm

Lease Reeves Well No. #1 Location Beeler, Ks 2w to Rd "A", 1N, E/s

Contractor Mallard Owner To Quality Oilwell Cementing, Inc.

Type Job Surface Casings 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. 234' Charge To Palomino Petroleum

Csg. 8 5/8" Depth 234' To Palomino Petroleum

Tbg. Size \_\_\_\_\_ Depth \_\_\_\_\_ Street \_\_\_\_\_

Tool \_\_\_\_\_ Depth \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

Cement Left in Csg. 15' Shoe Joint 15' The above was done to satisfaction and supervision of owner agent or contractor.

Meas Line \_\_\_\_\_ Displace 13 3/4 BBS **CEMENT**

**EQUIPMENT** Amount Ordered 150 sx Common 3%CC 2%Gel

Pumptrk 9 No. 9 Cementer Nealte 7 Common 150 SX

Bulktrk 8 No. 8 Driver Rocky 7 Poz. Mix \_\_\_\_\_

Bulktrk pick-up No. 1 Driver Rick 7 Gel. 3 SX

**JOB SERVICES & REMARKS** Calcium 5 SX

Remarks: Cement did Circulate. Hulls \_\_\_\_\_

used 8 5/8" Sledge Salt \_\_\_\_\_

Displace 13 3/4 BBS Flowseal \_\_\_\_\_

Handling 158

Mileage \_\_\_\_\_

**FLOAT EQUIPMENT**

Guide Shoe \_\_\_\_\_

Centralizer \_\_\_\_\_

Baskets \_\_\_\_\_

AFU Inserts \_\_\_\_\_

Pumptrk Charge Surface

Mileage 19

Russell

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**AUG 05 2010**

**KCO WICHITA**

Total Charge \_\_\_\_\_

Signature Boyle Juergensen

Signature Russell

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MAY 20 2010

Date: 5/17/2010  
Invoice # 3763

P.O.#:

Due Date: 6/17/2010

Division: Russell



**QUALITY OILWELL CEMENTING, INC.**

740 West Wichita Ave, Russell KS 67665  
Phone:785-324-1041 fax:785-483-1087  
Email: cementing@ruraltel.net  
Pratt Location 620-388-5422

# Invoice

**Contact:**

Palomino Petroleum Inc  
**Address/Job Location:**  
Palomino Petroleum Inc  
4924 SE 84th  
Newton Ks 67114

**Reference:**

REEVES 1

**Description of Work:**

SURFACE JOB

Services / Items Included:	Item	Quantity	Item	Quantity
	Surface Job	1		
	Pump Truck Mileage-from Job location to Nearest Camp	19		
	Premium Gel (Bentonite)	3		
	Common-Class A	150		
	Calcium Chloride	5		
	Bulk Truck Mileage-from Job location to Nearest Bulk Plant	19		
	Bulk Truck Material-Material Service Charge	158		

Quoted by: Dave Funk

SubTotal: \$ 4,191.69

Discount Available ONLY if Invoice is Paid &  
Received within listed terms of invoice: \$ (628.75)

Total: \$ 3,562.94

Tax: \$ 98.30

**\$ 3,661.24**

**Applied Payments:**

**Balance Due: \$ 3,661.24**

**Invoice Terms:**

Net 30

**Thank You For Your Business!**

Past Due Invoices are subject to a service charge (annual rate of 24%)

This does not include any applicable taxes unless it is listed.

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# QUALITY OILWELL CEMENTING, INC.

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

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

No. 4000  
*Russell*

Date	5-18-10	Sec.	20	Twp.	18	Range	26	County	NESS	State	KS	On Location		Finish	12:00 PM	
Lease	Reeves	Well No.	2		Location <i>Beeler 2W to ARD 1N E into</i>											
Contractor	<i>Mallard drilling</i>							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	<i>Rotary plug</i>							Charge To <i>Palomino Petroleum</i>								
Hole Size	<i>12 1/4</i>		T.D. <i>4702</i>													
Csg.	<i>4 1/2 x hole</i>		Depth <i>2030 1st</i>													
Tbg. Size			Depth													
Tool			Depth													
Cement Left in Csg.			Shoe Joint													
Meas Line			Displace													
Cement Amount Ordered <i>300 60/40 45 gel 1/4 lb Flowseal</i>																

**EQUIPMENT**

Pumptrk	9	No.	Cementer	<i>Brandon</i>	8	Common	<i>180 @</i>
			Helper				
Bulktrk	12	No.	Driver	<i>NEALE</i>	8	Poz. Mix	<i>120 @</i>
			Driver				
Bulktrk		No.	Driver	<i>The "Rock"</i>	8	Gel.	<i>11 @</i>
			Driver				

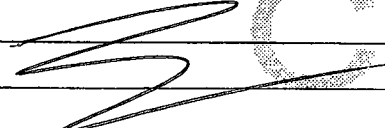
**JOB SERVICES & REMARKS**

Remarks:	Calcium
Rat Hole	Hulls
Mouse Hole	Salt
Centralizers	Flowseal <i>2 @ 50lbs</i>
Baskets	Kol-Seal
D/V or Port Collar	Mud CLR 48
<i>1st plug @ 2030' mix 50sx</i>	CFL-117 or CD110 CAF 38
<i>2nd plug @ 1180' " " 80sx</i>	Sand
<i>3rd plug @ 600' " " 50sx</i>	Handling <i>3/11</i>
<i>4th " @ 260' " " 50sx</i>	Mileage <i>19</i>
<i>5th plug @ 60' " " 20sx</i>	

**FLOAT EQUIPMENT**

<i>Rh - mix — 30sx</i>	Guide Shoe
<i>Mh mix — 20sx</i>	Centralizer
	Baskets
	AFU Inserts
	Float Shoe
	Latch Down

Thank You



Pumptrk Charge *plug*  
Mileage *19*

*Russell*

Tax  
Discount  
Total Charge

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AUG 05 2010

X Signature *Larson R. White (Thanks)*

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MAY 24 2010

Date: 5/18/2010  
Invoice # 4000

P.O.#:

Due Date: 6/18/2010

Division: Russell



**QUALITY OILWELL CEMENTING, INC.**

740 West Wichita Ave, Russell KS 67665  
Phone:785-324-1041 fax:785-483-1087  
Email: cementing@ruraltel.net  
Pratt Location 620-388-5422

**Invoice**

**Contact:**

Palomino Petroleum Inc  
Address/Job Location:  
Palomino Petroleum Inc  
4924 SE 84th  
Newton Ks 67114

**Reference:**

REEWES 1

**Description of Work:**

PLUG JOB

Services / Items Included:	Item	Quantity	Item	Quantity
Pump Truck Mileage-from Job location to Nearest Camp		19		
	Premium Gel (Bentonite)	11		
	POZ Mix-Standard	120		
	Plugging, the First Well Service	1		
	Flo Seal	50		
	Common-Class A	180		
Bulk Truck Mileage-from Job location to Nearest Bulk Plant		19		
	Bulk Truck Material-Material Service Charge	311		
	8 5/8" Wooden Plug	1		

**Invoice Terms:**

Net 30

Quoted by: Dave Funk

SubTotal: \$ 5,383.74

Discount Available ONLY if Invoice is Paid &  
Received within listed terms of invoice: \$ (807.56)

Total: \$ 4,576.18

Tax: \$ 114.93

**\$ 4,691.11**

**Applied Payments:**

**Balance Due: \$ 4,691.11**

**Thank You For Your Business!**

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

Lease Name **Reeves**  
 Lease # **1**  
 Legal Desc **NW SE NE SE**  
 Section **20**  
 Township **18S**  
 County **Ness**  
 Drilling Cont **Mallard Drilling #2**

Job Ticket **3081**  
 Range **26W**  
 State **KS**

Comments **Field: Wildcat**

**GENERAL INFORMATION**

Test # **1** Test Date **5/17/2010**  
 Tester **Jimmy Ricketts**  
 Test Type **Conventional Bottom Hole Successful Test**

# of Packers **2.0** Packer Size **6 3/4**

Mud Type **Gel Chem**  
 Mud Weight **8.9** Viscosity **47.0**  
 Filtrate **8.8** Chlorides **2400**

Drill Collar Len **242.0**  
 Wght Pipe Len **0**

Formation **Cherokee Sand**  
 Interval Top **4547.0** Bottom **4584.0**  
 Anchor Len Below **37.0** Between **0**  
 Total Depth **4584.0**  
 Blow Type **Weak blow building to 1/2" initial flow period. No blow final flow period.**  
**Times: 30, 30, 30, 30.**

Chokes **3/4** Hole Size **7 7/8**  
 Top Recorder # **13767**  
 Mid Recorder #  
 Bott Recorder # **w1023**

Mileage **164** Approved By  
 Standby Time **0**  
 Extra Equipmnt **Jars & Safety Joint**  
 Time on Site **10:00 PM**  
 Tool Picked Up **12:20 AM**  
 Tool Layed Dwn **6:30 AM**

Elevation **2621.00** Kelley Bushings **2626.00**

Start Date/Time **5/16/2010 11:56 PM**  
 End Date/Time **5/17/2010 7:04 AM**

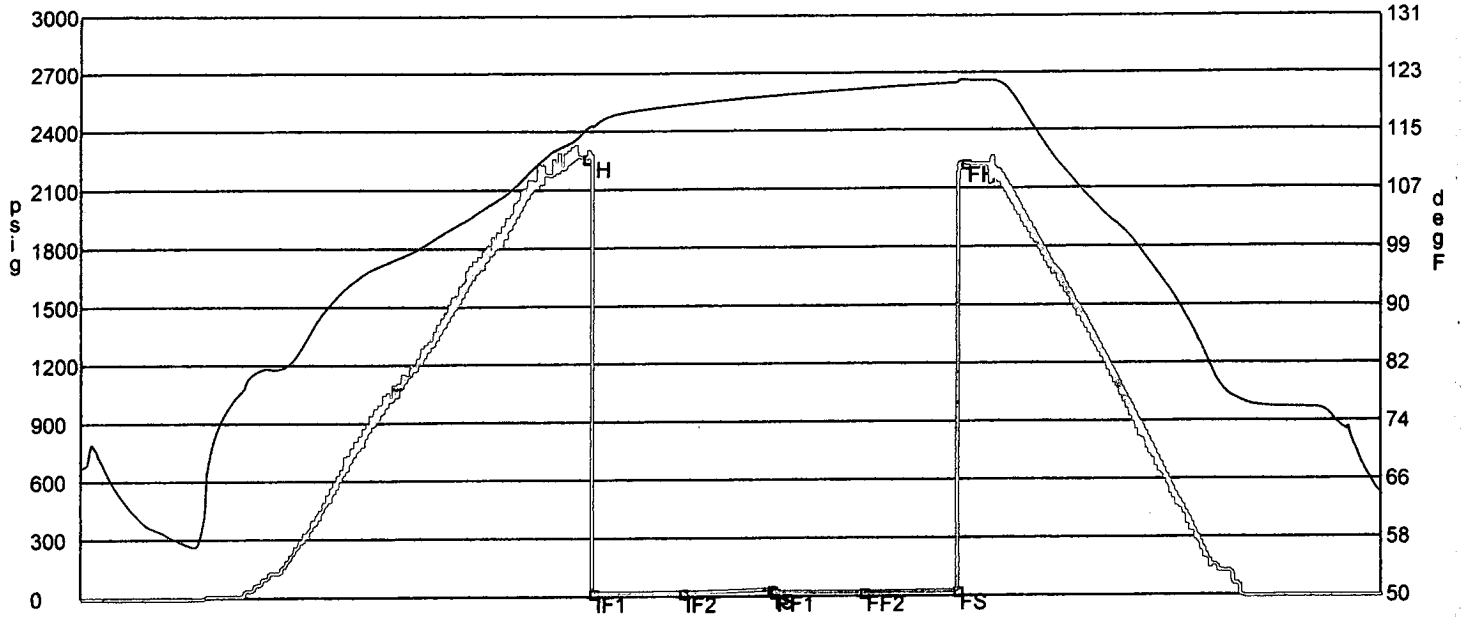
**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
10	Drilling mud	0% 0ft	0% 0ft	0% 0ft	100% 10ft

DST Fluids **0**

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	Date	Time	Pressure	Temp	
IH	5/17/2010 2:42:10 AM	2.769444	2263.113	115.097	Initial Hydro-static
IF1	5/17/2010 2:44:20 AM	2.805556	19.287	115.497	Initial Flow (1)
IF2	5/17/2010 3:14:00 AM	3.3	19.087	118.482	Initial Flow (2)
IS	5/17/2010 3:43:20 AM	3.788889	35.019	119.654	Initial Shut-In
FF1	5/17/2010 3:44:10 AM	3.802778	20.502	119.687	Final Flow (1)
FF2	5/17/2010 4:13:50 AM	4.297222	20.068	120.636	Final Flow (2)
FS	5/17/2010 4:44:40 AM	4.811111	26.743	121.458	Final Shut-In
FH	5/17/2010 4:47:00 AM	4.85	2227.33	121.867	Final Hydro-static

**GAS FLOWS**

Min Into IFP    Min Into FFP    Gas Flows    Pressure    Choke

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