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KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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Form ACO-1
October 2008
Form Must Be Typed

KCC WICHITA

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 # 5123
 Name: Pickrell Drilling Company, Inc.
 Wellsite Geologist: Robert A. Schreiber
 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.: _____

<u>7/8/10</u>	<u>7/19/10</u>	<u>7/19/10</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15-083-21655-0000
 Spot Description: _____
 W/2 NW SE SE Sec. 3 Twp. 21 S. R. 26 East West
990 Feet from North / South Line of Section
1100 Feet from East / West Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
 County: Hodgeman
 Lease Name: Irsik Well #: 1
 Field Name: None (Wildcat)
 Producing Formation: None
 Elevation: Ground: 2400 Kelly Bushing: 2405
 Total Depth: 4483 Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at: 233 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 27, 2010

Subscribed and sworn to before me this 27th day of August

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
Att 2 - PA - Dig - 9/2/10

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

Sec. 3 Twp. 21 S. R. 26 East West County: Hodgeman

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:

Radiation Guard

Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
Anhy.	1600	(+ 805)
Base Anhy.	1635	(+ 770)
Topeka	3380	(- 975)
Heebner	3700	(-1295)
Toronto	3720	(-1315)
LKC	3745	(-1340)
BKC	4129	(-1724)

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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#	233'	Common	180	2% gel, 3% c.c.

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

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth

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

Marmaton	4156	(-1751)
Pawnee	4220	(-1815)
Ft. Scott	4283	(-1878)
Cherokee Sh.	4308	(-1900)
Miss. Lime	4382	(-1977)
Miss. Dolo.	4388	(-1983)
LTD	4483	(-2078)

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KCC WICHITA



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

Date: 7/20/2010
 Invoice # 4009

P.O.#:

Due Date: 8/19/2010

Division:

Invoice

Contact:

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

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Reference:

IRISK 1

Description of Work:

PLUG JOB

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Services / Items Included:	Quantity	Price	Item	Quantity	Price
Surface Job	1	\$0.00			
Truck-Material-Service Charge	27	\$252.28			
Premium Gel (Bentonite)	3	\$137.20			
Common-Class A	180	\$1,700.84			
Calcium Chloride	6	\$0.00			
Truck-Material-Service Charge	27	\$147.63			
Truck-Material-Service Charge	189	\$445.65			

Quoted by: Dave Funk

Invoice Terms:

Net 30

Labor: \$1,062.84

SubTotal: \$ 4,672.02

Discount Available ONLY if Invoice is Paid & Received within listed terms of invoice: \$ (700.80)

Total: \$ 3,971.21

Tax: \$ 333.52

\$ 4,304.74

Applied Payments:

Balance Due: \$ 4,304.74

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. 4009

Date	7-19-10	Sec.	3	Twp.	21	Range	26	County	Hodgeman	State	KS	On Location		Finish	1:00 pm
Lease	Irsilk			Well No.	1			Location	Ness City 14S 13 1/4 W N into						
Contractor	Pickrell #10							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	Rotary Plug							T.D.	4481						
Hole Size	7 1/8							Depth	1630						
Csg.	4 1/2 drill pipe							Charge To	Palomino Pet.						
Tbg. Size								Depth							
Tool								Street							
Cement Left in Csg.								City	State						
Meas Line								Shoe Joint	The above was done to satisfaction and supervision of owner agent or contractor.						
								Displace	Cement Amount Ordered 230 69/40 490 gel 1/4 lb Flo						

EQUIPMENT

Pumptrk	5	No.	Cementor	Brandon	4	Common	138
Bulktrk	4	No.	Driver	Steve	5	Poz. Mix	92
Bulktrk	4	No.	Driver	Cisco	5	Gel.	8

JOB SERVICES & REMARKS

Remarks:	Calcium
Rat Hole	Hulls
Mouse Hole	Salt
Centralizers	Flowseal 57#
Baskets	Kol-Seal
D/V or Port Collar	Mud CLR 48
Mix 50sx @ 1630'	CFL-117 or CD110 CAF 38
Mix 80sx @ 790'	Sand
Mix 50sx @ 260'	Handling 238
Mix 20sx @ 60'	Mileage 27
Mix 30sx in Rathole	RECEIVED AUG 30 2010 KCC WICHITA
THANK YOU!	FLOAT EQUIPMENT
	Guide Shoe
	Centralizer
	Baskets
	AFU Inserts
	Float Shoe
	Latch Down

Pumptrk Charge	plug
Mileage	27
Signature	Tax
	Discount
	Total Charge



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

Date: 7/20/2010
Invoice # 4006

P.O.#:
Due Date: 8/19/2010
Division:

Invoice

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

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JUL 21 2010

Reference:
IRISK 1

Description of Work:
SURFACE JOB

Services / Items Included:	Quantity	Price	Item	Quantity	Price
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Invoice Terms:

Net 30

Labor: \$893.76

Quoted by: Dave Funk

SubTotal: \$ 4,437.60

Discount Available ONLY if Invoice is Paid &
Received within listed terms of invoice: \$ (665.64)

Total: \$ 3,771.96

Tax: \$ 329.43

\$ 4,101.38

Applied Payments:

Balance Due: \$ 4,101.38

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. 4006

Date	7-9-10	Sec.	3	Twp.	21	Range	26	County	Hodgeman	State	KS	On Location		Finish	3:30AM
------	--------	------	---	------	----	-------	----	--------	----------	-------	----	-------------	--	--------	--------

Lease	Trisk	Well No.	2	Location	Ness city 14 S 13 1/4 W N into
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Contractor	Pickrell #10	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	Surface		
Hole Size	12 1/2	T.D.	239
Csg.	8 5/8 206	Depth	239
Tbg. Size		Depth	
Tool		Depth	
Cement Left in Csg.	10-15 lb	Shoe Joint	
Meas Line		Displace	14 1/2 bbls
			Charge To Palomino Petroleum
			Street
			City State

			The above was done to satisfaction and supervision of owner agent or contractor.
			Cement Amount Ordered 180 lb 35 cu 25 gal

EQUIPMENT

Pumptrk	5	No.	Cementer	Brandon 9	Common	180
			Helper			
Bulktrk	8	No.	Driver	Doug 9	Poz. Mix	
			Driver			
Bulktrk		No.	Driver		Gel.	3
			Driver			

JOB SERVICES & REMARKS

Remarks:		Calcium	6
Rat Hole		Hulls	
Mouse Hole		Salt	
Centralizers		Flowseal	
Baskets		Kol-Seal	
D/V or Port Collar		Mud CLR 48	
		CFL-117 or CD110 CAF 38	
		Sand	
Cement Did circ'ob		Handling	189
		Mileage	27

FLOAT EQUIPMENT

		Guide Shoe	
		Centralizer	
		Baskets	
		AFU Inserts	
		Float Shoe	
		Latch Down	

Thank You

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		Pumptrk Charge	Surface
		Mileage	27

		Tax	
		Discount	
		Total Charge	

X Signature *Mike Kern*

Company	Palomino Petroleum, Inc.	Lease Name	Irsik	
Address	4924 SE 84th St.	Lease #	1	
CSZ	Newton, KS 67114	Legal Desc	See Comments	Job Ticket 2113
Attn.	Bob Schreiber	Section	3	Range 26W
		Township	21S	
		County	Hodgeman	State KS
		Drilling Cont	Pickereil Drilling Co. Inc. 10	
Comments	Legal Description: 990' FSL & 1150' FEL			

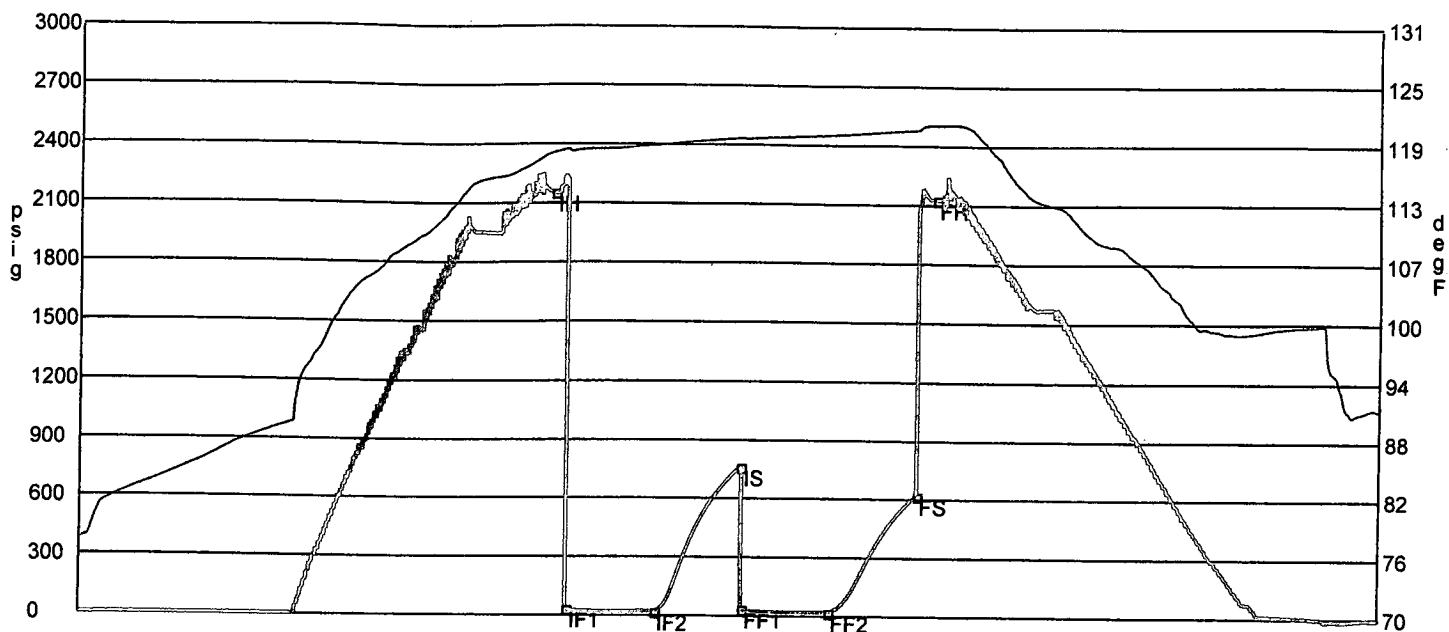
GENERAL INFORMATION

Test # 1	Test Date	7/17/2010	Chokes	3/4	Hole Size	7 7/8
Tester	Tim Venters		Top Recorder #	W1119		
Test Type	Conventional Bottom Hole		Mid Recorder #	W1022		
	Successful Test		Bott Recorder #	13310		
# of Packers	2.0	Packer Size	6 3/4	Mileage	192	Approved By
Mud Type	Gel Chem			Standby Time	0	
Mud Weight	9.6	Viscosity	50.0	Extra Equipmnt	Jars & Safety joint	
Filtrate	13.6	Chlorides	4700	Time on Site	6:25 AM	
Drill Collar Len	0			Tool Picked Up	10:10 AM	
Wght Pipe Len	0			Tool Layed Dwn	4:40 PM	
Formation	Mississippian		Elevation	2400.00	Kelley Bushings	2405.00
Interval Top	4319.0	Bottom	4388.0	Start Date/Time	7/17/2010 9:14 AM	
Anchor Len Below	69.0	Between	0	End Date/Time	7/17/2010 4:41 PM	
Total Depth	4388.0					
Flow Type	Very weak surface blow at the start of the initial flow period, building to 1/2 inch. Weak surface blow throughout the final flow period. Times: 30, 30, 30, 30. Oil Gravity: 39.					

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
0	Clean oil	0% 0ft	100% 1ft	0% 0ft	0% 0ft
0	Slight oil cut mud	0% 0ft	10% 1ft	0% 0ft	90% 9ft
0	OST Fluids				

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	Date	Time	Pressure	Temp	
IH	7/17/2010 11:56:00 AM	2.7	2153.322	117.962	Initial Hydro-static
IF1	7/17/2010 12:01:10 PM	2.786111	34.401	118.139	Initial Flow (1)
IF2	7/17/2010 12:31:30 PM	3.291667	19.625	118.732	Initial Flow (2)
IS	7/17/2010 1:00:50 PM	3.780556	762.585	119.475	Initial Shut-In
FF1	7/17/2010 1:01:40 PM	3.794444	35.975	119.431	Final Flow (1)
FF2	7/17/2010 1:31:30 PM	4.291667	19.484	119.867	Final Flow (2)
FS	7/17/2010 2:01:30 PM	4.791667	621.207	120.461	Final Shut-In
FH	7/17/2010 2:07:30 PM	4.891667	2129.522	120.956	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

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Company	Palomino Petroleum, Inc.	Lease Name	Irsik	
Address	4924 SE 84th St.	Lease #	1	
CSZ	Newton, KS 67114	Legal Desc	See Comments	Job Ticket 2113
Attn.	Bob Schreiber	Section	3	Range 26W
		Township	21S	
		County	Hodgeman	State KS
		Drilling Cont	Pickerell Drilling Co. Inc. 10	
Comments	Legal Description: 990' FSL & 1150' FEL			

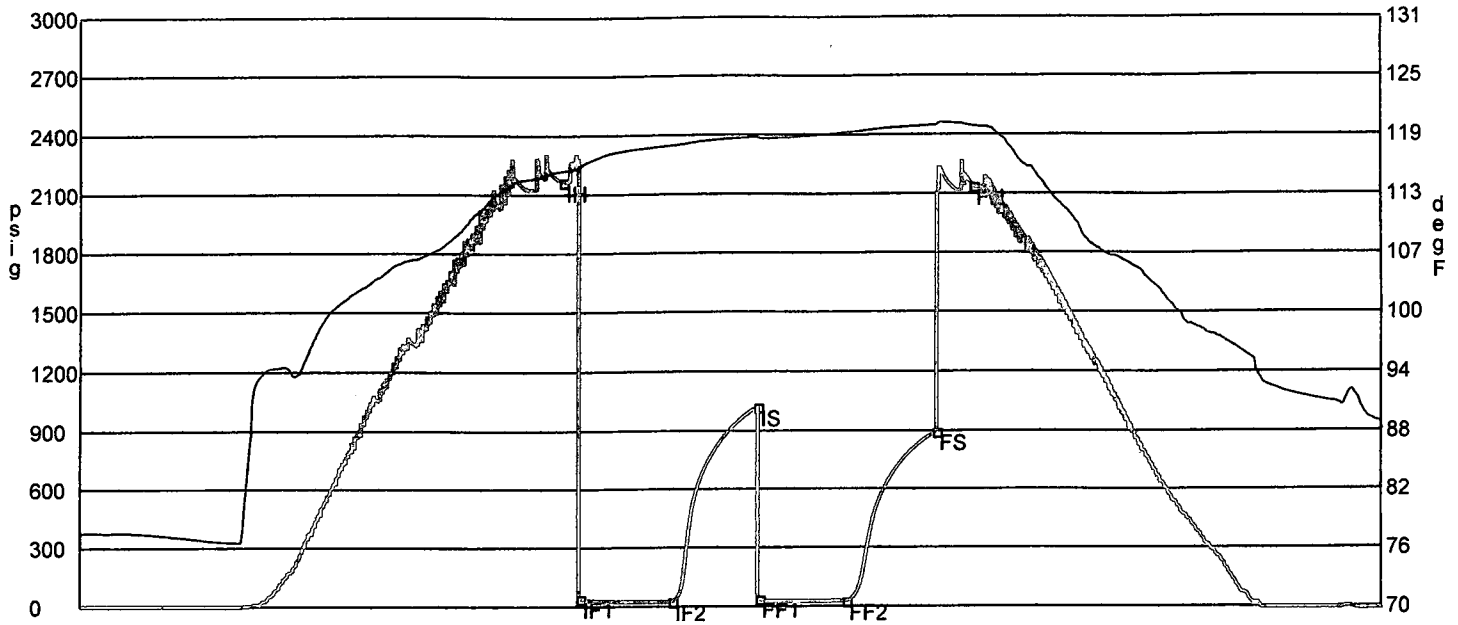
GENERAL INFORMATION

Test # 2	Test Date 7/18/2010	Chokes 3/4	Hole Size 7 7/8
Tester Tim Venters		Top Recorder # W1119	
Test Type Conventional Bottom Hole		Mid Recorder # W1022	
		Bott Recorder # 13310	
# of Packers 2.0	Packer Size 6 3/4	Mileage 0	Approved By
		Standby Time 0	
Mud Type Gel Chem		Extra Equipmnt Jars & Safety joint	
Mud Weight 9.6	Viscosity 50.0	Time on Site 6:25 AM	
Filtrate 13.6	Chlorides 4700	Tool Picked Up 3:50 AM	
		Tool Layed Dwn 10:10 AM	
Drill Collar Len 0		Elevation 2400.00	Kelley Bushings 2405.00
Wght Pipe Len 0			
Formation Mississippian		Start Date/Time 7/18/2010 2:55 AM	
Interval Top 4383.0	Bottom 4406.0	End Date/Time 7/18/2010 10:14 AM	
Anchor Len Below 23.0	Between 0		
Total Depth 4406.0			
Blow Type Weak 1/4 inch blow at the start of the initial flow period, building to 1 1/2 inches. Weak surface blow throughout the final flow period. Times: 30, 30, 30, 30. Besides the 30 foot of mud that we recovered, the tool had 5% oil and 95 % mud.			

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
30	Mud with a slight trace of oil	0% 0ft	trace	0% 0ft	100%30ft
DST Fluids	0				

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	Date	Time	Pressure	Temp	
IH	7/18/2010 5:37:20 AM	2.705556	2165.021	115.136	Initial Hydro-static
IF1	7/18/2010 5:43:10 AM	2.802778	42.917	115.396	Initial Flow (1)
IF2	7/18/2010 6:14:30 AM	3.325	25.511	117.74	Initial Flow (2)
IS	7/18/2010 6:43:20 AM	3.805556	1022.13	118.604	Initial Shut-In
FF1	7/18/2010 6:44:00 AM	3.816667	39.723	118.471	Final Flow (1)
FF2	7/18/2010 7:13:30 AM	4.308333	27.116	119.03	Final Flow (2)
FS	7/18/2010 7:43:50 AM	4.813889	896.076	119.774	Final Shut-In
FH	7/18/2010 7:56:10 AM	5.019444	2138.556	119.693	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

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