

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
October 2008
Form Must Be Typed

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: Nicholas P. Gerstner

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.: _____

8/25/10 9/4/10 9/4/10

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

API No. ~~15~~ - 15-135-25129-0000

Spot Description: _____

NW_NW_NW_SW Sec. 27 Twp. 18 S. R. 25 East West

2352 Feet from North / South Line of Section

64 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE NW SE SW

County: Ness

Lease Name: DB Cattle Well #: 1

Field Name: None (Wildcat)

Producing Formation: None

Elevation: Ground: 2435 Kelly Bushing: 2443

Total Depth: 4560 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: 230 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: October 8, 2010

Subscribed and sworn to before me this 8th day of October

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

N Letter of Confidentiality Received

If Denied, Yes Date: _____

Wireline Log Received

Geologist Report Received

UIC Distribution

DNA - Dlg - 10/14/10

Operator Name: Palomino Petroleum, Inc. Lease Name: DB Cattle Well #: 1
 Sec. 27 Twp. 18 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: Radiation Guard	<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:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Anhy.</td> <td>1707</td> <td>(+ 736)</td> </tr> <tr> <td>Base Anhy.</td> <td>1744</td> <td>(+ 699)</td> </tr> <tr> <td>Topeka</td> <td>3482</td> <td>(-1039)</td> </tr> <tr> <td>Heebner</td> <td>3776</td> <td>(-1333)</td> </tr> <tr> <td>LKC</td> <td>3818</td> <td>(-1375)</td> </tr> <tr> <td>BKC</td> <td>4132</td> <td>(-1689)</td> </tr> <tr> <td>Marmaton</td> <td>4167</td> <td>(-1724)</td> </tr> </table>	Name	Top	Datum	Anhy.	1707	(+ 736)	Base Anhy.	1744	(+ 699)	Topeka	3482	(-1039)	Heebner	3776	(-1333)	LKC	3818	(-1375)	BKC	4132	(-1689)	Marmaton	4167	(-1724)
Name	Top	Datum																							
Anhy.	1707	(+ 736)																							
Base Anhy.	1744	(+ 699)																							
Topeka	3482	(-1039)																							
Heebner	3776	(-1333)																							
LKC	3818	(-1375)																							
BKC	4132	(-1689)																							
Marmaton	4167	(-1724)																							

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#	230'	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 Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth

RECEIVED
KANSAS CORPORATION COMMISSION
OCT 1 2010
CONSERVATION DIVISION
WICHITA, KS

TUBING RECORD:	Size:	Set At:	Packer At:	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
----------------	-------	---------	------------	--

Date of First, Resumed Production, SWD or Enhr.	Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
---	--

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	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 type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
--	---	---

LOGS

Pawnee	4256	(-1813)
Ft. Scott	4325	(-1882)
Cherokee	4350	(-1907)
Miss.	4412	(-1969)
Miss. Por.	4423	(-1980)
LTD	4560	(-2117)

RECEIVED
KANSAS CORPORATION COMMISSION
OCT 12 2010
CONSERVATION DIVISION
WICHITA, KS



CONSOLIDATED
Oil Well Services, LLC

REMIT TO
Consolidated Oil Well Services, LLC
Dept. 970
P.O. Box 4346
Houston, TX 77210-4346

MAIN OFFICE
P.O. Box 884
Chanute, KS 66720
620/431-9210 • 1-800/467-8676
FAX 620/431-0012

INVOICE

Invoice # 236398

Invoice Date: 09/09/2010 Terms:

Page 1

PALOMINO PETROLEUM, INC.
4924 SE 84TH STREET
NEWTON KS 67114-8827
() -

D~~8~~ CATTLE 1-27
24418
27-18-25
9-4-10

RECEIVED
SEP 13 2010

Part Number	Description	Qty	Unit Price	Total
1131	60/40 POZ MIX	270.00	13.0000	3510.00
1118B	PREMIUM GEL / BENTONITE	928.00	.2000	185.60
1107	FLO-SEAL (25#)	68.00	2.5000	170.00

Sublet Performed	Description	Total
9999-100	CASH DISCOUNT	-1109.12

Description	Hours	Unit Price	Total
439 MIN. BULK DELIVERY	1.00	390.00	390.00
463 P & A NEW WELL	1.00	1200.00	1200.00
463 EQUIPMENT MILEAGE (ONE WAY)	20.00	4.50	90.00

RECEIVED
KANSAS CORPORATION COMMISSION

OCT 10 2010

CONSERVATION DIVISION
WICHITA, KS

Parts:	3865.60	Freight:	.00	Tax:	243.53	AR	4680.01
Labor:	.00	Misc:	.00	Total:	4680.01		
Sublt:	-1109.12	Supplies:	.00	Change:	.00		

Signed _____

Date _____

BARTLESVILLE, OK
918/338-0808

ELDORADO, KS
316/322-7022

EUREKA, KS
620/583-7664

GILLETTE, WY
307/686-4914

MCALISTER, OK
918/426-7667

OTTAWA, KS
785/242-4044

THAYER, KS
620/839-5269

WORLAND, WY
307/347-4577



CONSOLIDATED
Oil Well Services, LLC

TICKET NUMBER 24418
LOCATION Oshtemo Ks
FOREMAN Pat Heister

PO Box 884, Chanute, KS 66720
620-431-9210 or 800-467-8676

FIELD TICKET & TREATMENT REPORT

D.W.C. Hill **CEMENT**

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
9-4-10	6285	Oshtemo	27	18	25	Oshtemo

CUSTOMER	TRUCK #	DRIVER	TRUCK #	DRIVER
Palomino Petroleum, Inc.	463	Shannon	F	
	439	Pat	H	

CITY	STATE	ZIP CODE
Newton	Ks	67114

JOB TYPE PIA-C HOLE SIZE 7 7/8" HOLE DEPTH 4565' CASING SIZE & WEIGHT _____
 CASING DEPTH _____ DRILL PIPE 4 1/2 x 1760 TUBING _____ OTHER _____
 SLURRY WEIGHT _____ SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT in CASING _____
 DISPLACEMENT _____ DISPLACEMENT PSI _____ MIX PSI _____ RATE _____

REMARKS: Safety Meeting, Pbing as Required

50 SKS @ 1760'
 80 SKS @ 960' 270 SKS @ 4/4 500' 4 1/2" Flr Seal
 40 SKS @ 450'
 50 SKS @ 240'
 20 SKS @ 60'
 30 SKS in R.H.
Thank You
Pat Heister

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5405N	1	PUMP CHARGE	1200.00	1200.00
5406	20	MILEAGE <u>one way</u>	4.50	90.00
1131	270 SKS	<u>60' dia case</u>	13.00	3510.00
1187B	92 SKS	Bentonite (60')	1.20	110.40
1107	15 SKS	Flr Seal	2.20	33.00
5407	11.6	Tow mileage Delivery (Case Chgs)	1.50	17.40
RECEIVED KANSAS CORPORATION COMMISSION OCT 10 2010 CONSERVATION DIVISION WICHITA, KS				
<u>236398</u>				
Sub Total				5545.60
Less 20% Disc				1109.12
SALES TAX				4436.48
ESTIMATED TOTAL				243.51
TOTAL				4680.01

Revin 3737 AUTHORIZATION M. C. TITLE Tool Pusher DATE 9-4-10



PO BOX 31 Russell, KS 67665

RECEIVED

SEP 03 2010

INVOICE

Invoice Number: 124231

Invoice Date: Aug 25, 2010

Page: 1

Voice: (785) 483-3887
Fax: (785) 483-5566

Bill To:
Palomino Petroleum, Inc. 4924 SE 84th St. Newton, KS 67114-8827

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Palo	D B Cattle #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Oakley	Aug 25, 2010	9/24/10

Quantity	Item	Description	Unit Price	Amount
150.00	MAT	Class A Common	13.65	2,047.50
3.00	MAT	Gel	20.40	61.20
5.00	MAT	Chloride	57.15	285.75
158.00	SER	Handling	2.10	331.80
1.00	SER	Handling Mileage Charge	312.00	312.00
1.00	SER	Surface	999.00	999.00
9.00	SER	Pump Truck Mileage	7.00	63.00

RECEIVED
KANSAS CORPORATION COMMISSION
OCT 10 2010
CONSERVATION DIVISION
WICHITA, KS

ALL PRICES ARE NET, PAYABLE
30 DAYS FOLLOWING DATE OF
INVOICE. 1 1/2% CHARGED
THEREAFTER. IF ACCOUNT IS
CURRENT, TAKE DISCOUNT OF

\$ 1025.06

ONLY IF PAID ON OR BEFORE
Sep 19, 2010

Subtotal	4,100.25
Sales Tax	150.85
Total Invoice Amount	4,251.10
Payment/Credit Applied	
TOTAL	4,251.10

Company
Address
CSZ
Attn.

Palomino Petroleum, Inc.
4924 SE 84th St.
Newton, KS 67114
Nick Gerstner

RECEIVED
KANSAS CORPORATION COMMISSION
OCT 10 2010
CONSERVATION DIVISION
WICHITA, KS

Lease Name DB Cattle
Lease # 1
Legal Desc See Comments
Section 27
Township 18S
County Ness
Drilling Cont Maverick Drlg. LLC Rig #108
Job Ticket 2114
Range 25W
State KS

Comments Legal Description: 2352' FSL & 64' FWL

GENERAL INFORMATION

Test # 1
Tester Tim Venters
Test Type Conventional Bottom Hole
Successful Test
of Packers 2.0
Packer Size 6 3/4
Mud Type Gel Chem
Mud Weight 9.5
Filtrate 11.2
Viscosity 42.0
Chlorides 5400

Chokes 3/4
Hole Size 7 7/8
Top Recorder # W1119
Mid Recorder # W1022
Bott Recorder # 13310
Mileage 152
Standby Time 0
Extra Equipmnt Jars & Safety joint
Time on Site 12:10 AM
Tool Picked Up 3:45 AM
Tool Layed Dwn 10:15 AM

Drill Collar Len 0
Wght Pipe Len 0

Elevation 2435.00
Kelley Bushings 2441.00

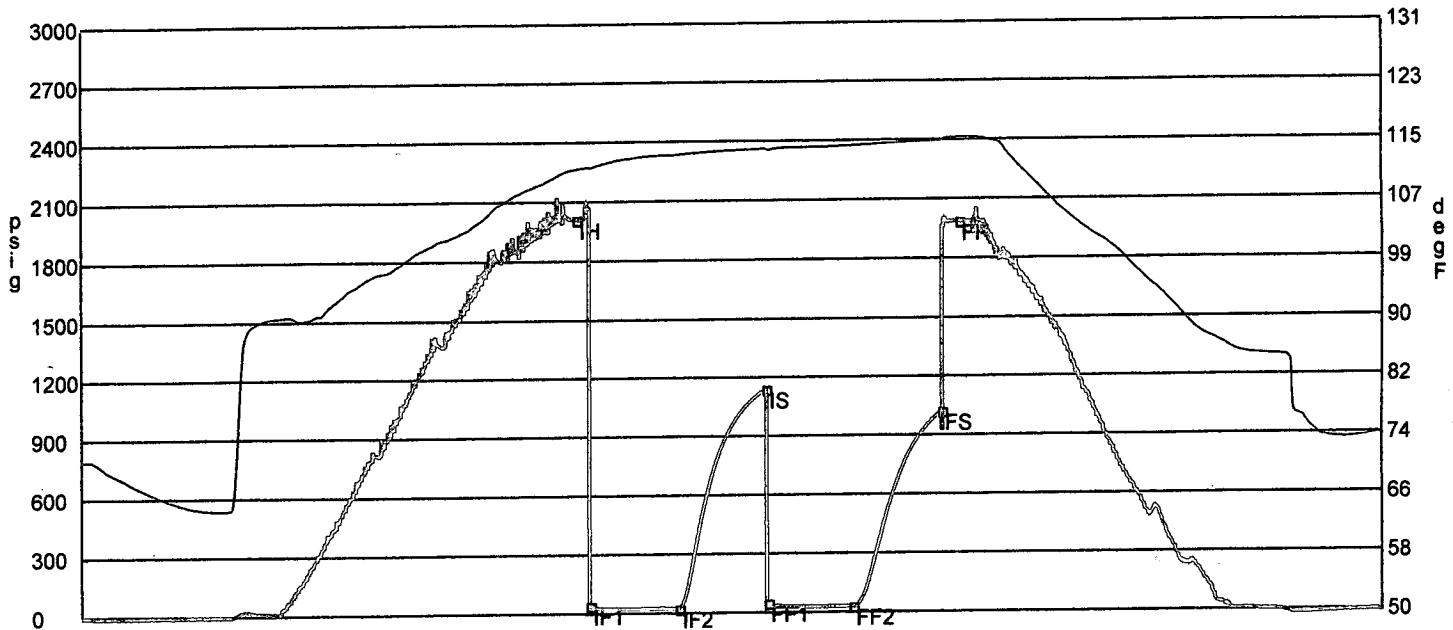
Formation Marmaton
Interval Top 4095.0
Anchor Len Below 129.0
Total Depth 4224.0
Bottom 4224.0
Between 0

Start Date/Time 9/2/2010 2:54 AM
End Date/Time 9/2/2010 10:17 AM

Blow Type Weak 1/4 inch blow at the start of the initial flow period, building to 2 1/2 inches. Very weak surface blow at the start of the final flow period, building to 1/2 inch. Times: 30, 30, 30, 30.

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
40	Mud with a very slight trace of oil	0% 0ft	trace	0% 0ft	100% 40ft
DST Fluids	0				



	Date	Time	Pressure	Temp	
IH	9/2/2010 5:42:00 AM	2.8	2011.61	111.133	Initial Hydro-static
IF1	9/2/2010 5:46:30 AM	2.875	42.826	111.341	Initial Flow (1)
IF2	9/2/2010 6:16:50 AM	3.380556	24.7	113.031	Initial Flow (2)
IS	9/2/2010 6:46:40 AM	3.877778	1140.089	113.744	Initial Shut-In
FF1	9/2/2010 6:47:10 AM	3.886111	49.538	113.641	Final Flow (1)
FF2	9/2/2010 7:16:10 AM	4.369444	30.886	114.117	Final Flow (2)
FS	9/2/2010 7:46:40 AM	4.877778	1022.381	114.734	Final Shut-In
FH	9/2/2010 7:52:40 AM	4.977778	1987.212	115.128	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

RECEIVED
 KANSAS CORPORATION COMMISSION
 OCT 10 2010
 CONSERVATION DIVISION
 WICHITA, KS

Company	Palomino Petroleum, Inc.	Lease Name	DB Cattle
Address	4924 SE 84th St.	Lease #	1
CSZ	Newton, KS 67114	Legal Desc	See Comments
Attn.	Nick Gerstner	Section	27
		Township	18S
		County	Ness
		Drilling Cont	Maverick Drlg. LLC Rig #108
Job Ticket		State	KS
Range			25W

Comments **Legal Description: 2352' FSL & 64' FWL**

GENERAL INFORMATION

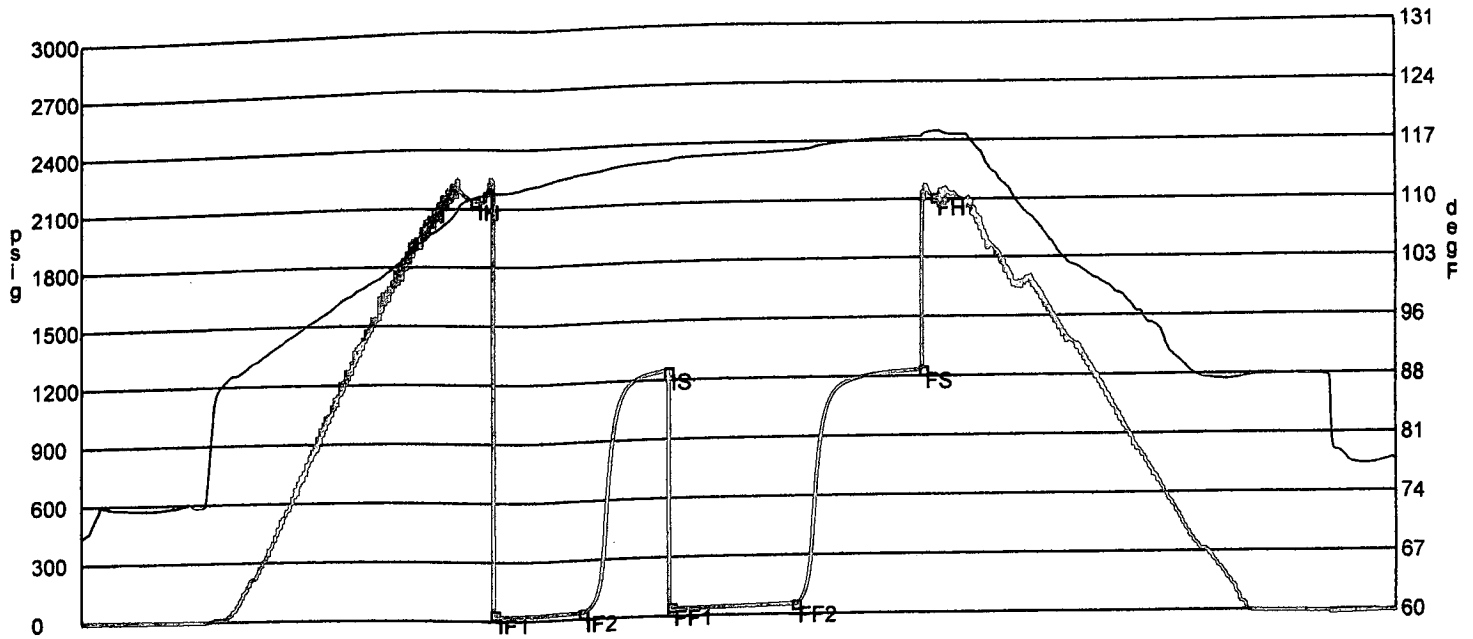
Test # 2	Test Date	9/3/2010	Chokes	3/4	Hole Size	7 7/8
Tester	Tim Venters		Top Recorder #	W1119		
Test Type	Conventional Bottom Hole		Mid Recorder #	W1022		
	Successful Test		Bott Recorder #	13310		
# of Packers	2.0	Packer Size	6 3/4	Mileage	20	Approved By
				Standby Time	0	
Mud Type	Gel Chem			Extra Equipmnt	Jars & Safety joint	
Mud Weight	9.3	Viscosity	51.0	Time on Site	8:50 AM	
Filtrate	9.2	Chlorides	3000	Tool Picked Up	10:55 AM	
				Tool Layed Dwn	5:50 PM	
Drill Collar Len	0			Elevation	2435.00	Kelley Bushings 2441.00
Wght Pipe Len	0					
Formation	Mississippian			Start Date/Time	9/3/2010 10:11 AM	
Interval Top	4372.0	Bottom	4433.0	End Date/Time	9/3/2010 5:57 PM	
Anchor Len Below	61.0	Between	0			
Total Depth	4433.0					
Blow Type	Weak surface blow at the start of the initial flow period, building to 5 inches. Weak 1/2 inch blow at the start of the final flow period, building to 9 inches . Times: 30, 30, 45, 45.					

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
30	Gas in Pipe	100% 30ft	0% 0ft	0% 0ft	0% 0ft
35	Oil cut mud	0% 0ft	37% 13ft	0% 0ft	63% 22ft
65	Gassy, oil cut mud	7% 4.6ft	33% 21.4ft	0% 0ft	60% 39ft

DST Fluids 0

RICKETTS TESTING



	Date	Time	Pressure	Temp	
IH	9/3/2010 12:29:50 PM	2.313889	2142.575	111.036	Initial Hydro-static
IF1	9/3/2010 12:36:40 PM	2.427778	39.066	111.615	Initial Flow (1)
IF2	9/3/2010 1:07:00 PM	2.933333	33.303	113.585	Initial Flow (2)
IS	9/3/2010 1:36:30 PM	3.425	1247.716	114.871	Initial Shut-In
FF1	9/3/2010 1:37:20 PM	3.438889	48.295	114.915	Final Flow (1)
FF2	9/3/2010 2:21:20 PM	4.172222	54.591	115.804	Final Flow (2)
FS	9/3/2010 3:06:50 PM	4.930556	1234.457	117.3	Final Shut-In
FH	9/3/2010 3:11:20 PM	5.005556	2112.195	117.91	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke