

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
June 2009

Form Must Be Typed
Form must be Signed
All blanks must be Filled

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, LLC
Wellsite Geologist: Nicholas P. Gerstner
Purchaser: None

Designate Type of Completion:

- New Well Re-Entry Workover
- Oil WSW SWD SIOW
 Gas D&A ENHR SIGW
 OG GSW Temp. Abd.
 CM (Coal Bed Methane)
 Cathodic Other (Core, Expl., 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
 Conv. to GSW
 Plug Back: _____ Plug Back Total Depth
 Commingled Permit #: _____
 Dual Completion Permit #: _____
 SWD Permit #: _____
 ENHR Permit #: _____
 GSW Permit #: _____

9/18/10	9/30/10	9/30/10
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-25169-0000
Spot Description: _____
SW SE SW SE Sec. 2 Twp. 18 S. R. 22 East West
101 Feet from North / South Line of Section
1,736 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Ness
Lease Name: Sekavec-Stieben Well #: 1
Field Name: None (Wildcat)
Producing Formation: None
Elevation: Ground: 2211 Kelly Bushing: 2219
Total Depth: 4450 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 1499 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 #: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Permit #: _____

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.

AFFIDAVIT

I am the affiant and I hereby certify that 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: November 8, 2010

KCC Office Use ONLY

Letter of Confidentiality Received
Date: _____ **RECEIVED**
 Confidential Release Date: _____
 Wireline Log Received **NOV 10 2010**
 Geologist Report Received
 UIC Distribution
ALT I II III **P+A** Approved by: DG Date: 11/15/10
KCC WICHITA

Operator Name: Palomino Petroleum, Inc. Lease Name: Sekavec-Stieben Well #: 1
 Sec. 2 Twp. 18 S. R. 22 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 complete copy of all Electric Wire-line 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 Electric Log Submitted Electronically <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: Dual Induction, Compensated Neutron/Density	<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>1506</td> <td>(+ 713)</td> </tr> <tr> <td>Base Anhy.</td> <td>1540</td> <td>(+ 679)</td> </tr> <tr> <td>Topeka</td> <td>3379</td> <td>(-1160)</td> </tr> <tr> <td>Heebner</td> <td>3678</td> <td>(-1459)</td> </tr> <tr> <td>LKC</td> <td>3720</td> <td>(-1501)</td> </tr> <tr> <td>BKC</td> <td>4012</td> <td>(-1793)</td> </tr> <tr> <td>Marmaton</td> <td>4062</td> <td>(-1843)</td> </tr> </table>	Name	Top	Datum	Anhy.	1506	(+ 713)	Base Anhy.	1540	(+ 679)	Topeka	3379	(-1160)	Heebner	3678	(-1459)	LKC	3720	(-1501)	BKC	4012	(-1793)	Marmaton	4062	(-1843)
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BKC	4012	(-1793)																							
Marmaton	4062	(-1843)																							

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"	23#	1499'	Common	525	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 <i>(Amount and Kind of Material Used)</i>	Depth

TUBING RECORD:	Size:	Set At:	Packer At:	Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No
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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 <i>(Explain)</i> <u>KCC WICHITA</u>				
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 <i>(Submit ACO-5)</i> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other <i>(Specify)</i> _____	PRODUCTION INTERVAL: _____ _____
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LOGS

Pawnee	4116	(-1897)
Ft. Scott	4195	(-1976)
Cherokee	4214	(-1995)
Miss.	4278	(-2059)
Gilmore City	4394	(-2175)
LTD	4450	(-2231)

RECEIVED
NOV 10 2010
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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 # 237003

Invoice Date: 09/30/2010 Terms: 0/30,n/30

Page 1

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

SEKAVEC - STIEBER 1
24484
2-18-22
09-30-2010

Part Number	Description	Qty	Unit Price	Total
1131	60/40 POZ MIX	190.00	13.0000	2470.00
1118B	PREMIUM GEL / BENTONITE	654.00	.2000	130.80

Sublet Performed	Description	Total
9999-100	RIG CHARGE TIME CREDITED	-900.00
9999-100	CASH DISCOUNT	-676.16

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

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Parts:	2600.80	Freight:	.00	Tax:	163.85	AR	2868.49
Labor:	.00	Misc:	.00	Total:	2868.49		
Sublt:	-1576.16	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

McALESTER, OK
918/426-7667

OTTAWA, KS
785/242-4044

THAYER, KS
620/839-5269

WORLAND, WY
307/347-4577



RECEIVED

SEP 24 2010

Date: 9/22/2010
Invoice # 4246

QUALITY OILWELL CEMENTING, INC.
PO Box 32 - 740 West Wichita Ave, Russell KS 67665
Phone: 785-324-1041 fax: 785-483-1087
Email: cementing@ruraltel.net

P.O.#:
Due Date: 10/22/2010
Division: Russell

Invoice

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

Reference: Sekavee - Stieben #1
SEKAVEE-STIEBAN 1

Description of Work:
LONG SURFACE JOB

Services / Items Included:	Quantity	Price	Taxable	Item	Quantity	Price	Taxable
Labor		\$ 1,156.62	No				
Common-Class A	525	\$ 6,224.40	Yes				
Bulk Truck Matl-Material Service Charge	543	\$ 1,100.48	No				
Calcium Chloride	18	\$ 686.92	Yes				
8 5/8" Basket	1	\$ 320.21	Yes				
Flo Seal	138	\$ 279.68	Yes				
8 5/8" Centralizer	3	\$ 194.56	Yes				
Premium Gel (Bentonite)	10	\$ 164.97	Yes				
Pump Truck Mileage-Job to Nearest Camp	11	\$ 111.24	No				
Baffle Plate Aluminum, 8 5/8"	1	\$ 91.20	Yes				
Bulk Truck Mileage-Job to Nearest Bulk Plant	11	\$ 65.10	No				

Invoice Terms:

Net 30

SubTotal: \$ 10,395.38
Discount Available ONLY if Invoice is Paid & Received within listed terms of invoice: \$ (1,559.31)

SubTotal for Taxable Items: \$ 6,767.65
SubTotal for Non-Taxable Items: \$ 1,085.30

6.30% Ness County Sales Tax

Total: \$ 8,836.07
Tax: \$ 426.36

Thank You For Your Business!

Amount Due: \$ 9,262.44
Applied Payments:
Balance Due: \$ 9,262.44

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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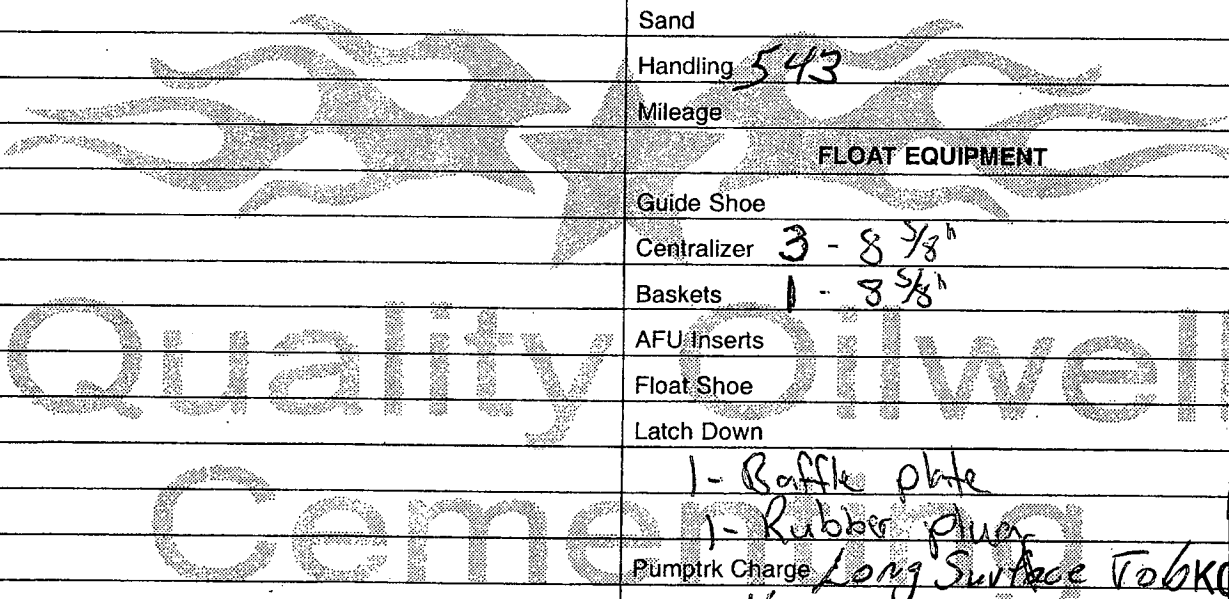
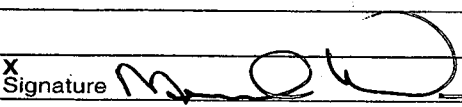
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NOV 10 2010
KCC WICHITA

QUALITY OILWELL CEMENTING, INC.

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

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

No. 4246

Date	7-21-10	Sec.	2	Twp.	18	Range	22	County	Ness	State	Ks	On Location	Finish	7:00AM		
Lease	Sekavec-Stieber			Well No. #1	Location Bazine, KS - West side to DD Rd, 410 to											
Contractor	Maverick #108							Owner 170 Rd, West North side								
Type Job	Surface							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.								
Hole Size	12 1/4"			T.D.	1500'											
Csg.	8 5/8"			Depth	1500'											
Tbg. Size				Depth												
Tool				Depth												
Cement Left in Csg.	42.59			Shoe Joint	42.59'											
Meas Line				Displace	92 3/4 BBLs											
EQUIPMENT																
Pumptrk	9	No.	Cementer	Heate										Common		525
Bulktrk	10	No.	Driver	Doug										Poz. Mix		
Bulktrk	12	No.	Driver	Rick										Gel.		10
JOB SERVICES & REMARKS													Calcium		18	
Remarks:	Cement did Circulate.															
Rat Hole																
Mouse Hole																
Centralizers	1-25-29															
Baskets	24															
D/V or Port Collar																
													Handling		543	
													Mileage			
FLOAT EQUIPMENT																
													Guide Shoe			
													Centralizer		3 - 8 7/8"	
													Baskets		1 - 8 5/8"	
													AFU Inserts			
													Float Shoe			
													Latch Down			
													1 - Baffle plate			
													1 - Rubber plug			
													Pumptrk Charge		Long Surface To BKCC WICHITA	
													Mileage		11.	
													Tax			
													Discount			
													Total Charge			

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 NOV 10 2010
 BKCC WICHITA