

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form ACO-1

June 2009

Form Must Be Typed

Form must be Signed

All blanks must be Filled

**ORIGINAL**

**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 # 5123  
Name: Pickrell Drilling Co., Inc.  
Wellsite Geologist: Nicholas P. Gerstner  
Purchaser: None

Designate Type of Completion:

- New Well       Re-Entry       Workover  
 Oil       WSW       SWD       SLOW  
 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 #: \_\_\_\_\_

12/20/10	1/10/11	1/10/11
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-135-25197 - 0000  
Spot Description: \_\_\_\_\_  
NE SW SE NW Sec. 26 Twp. 16 S. R. 25  East  West  
2,205 Feet from  North /  South Line of Section  
1,775 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: Ness  
Lease Name: Livingston Well #: 2  
Field Name: Arnold  
Producing Formation: None  
Elevation: Ground: 2557 Kelly Bushing: 2562  
Total Depth: 4623 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 #: \_\_\_\_\_  
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: 2/24/11

KCC Office Use ONLY **RECEIVED**

- Letter of Confidentiality Received      Date: FEB 28 2011  
 Confidential Release Date: \_\_\_\_\_  
 Wireline Log Received      **KCC WICHITA**  
 Geologist Report Received  
 UIC Distribution  
ALT  I  II  III Approved by: Dlg Date: 3/2/11

Operator Name: Palomino Petroleum, Inc. Lease Name: Livingston Well #: 2  
 Sec. 26 Twp. 16 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 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: <b>Radiation Guard</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>1918</td> <td>(+ 644)</td> </tr> <tr> <td>Base Anhy.</td> <td>1951</td> <td>(+ 611)</td> </tr> <tr> <td>Topeka</td> <td>3622</td> <td>(-1060)</td> </tr> <tr> <td>Heebner</td> <td>3882</td> <td>(-1320)</td> </tr> <tr> <td>LKC</td> <td>3918</td> <td>(-1356)</td> </tr> <tr> <td>BKC</td> <td>4220</td> <td>(-1658)</td> </tr> <tr> <td>Marmaton</td> <td>4267</td> <td>(-1705)</td> </tr> </table>	Name	Top	Datum	Anhy.	1918	(+ 644)	Base Anhy.	1951	(+ 611)	Topeka	3622	(-1060)	Heebner	3882	(-1320)	LKC	3918	(-1356)	BKC	4220	(-1658)	Marmaton	4267	(-1705)
Name	Top	Datum																							
Anhy.	1918	(+ 644)																							
Base Anhy.	1951	(+ 611)																							
Topeka	3622	(-1060)																							
Heebner	3882	(-1320)																							
LKC	3918	(-1356)																							
BKC	4220	(-1658)																							
Marmaton	4267	(-1705)																							

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	160	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 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 <i>(Submit ACO-5) (Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	RECEIVED FEB 28 2011 PRODUCTION INTER <b>KCC WICHITA</b>
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**LOGS**

Pawnee	4346	(-1784)
Ft. Scott	4420	(-1858)
Cherokee	4447	(-1885)
Miss.	4510	(-1948)
Miss. Dolo.	4520	(-1958)
LTD	4623	(-2061)

RECEIVED  
FEB 28 2011  
KCC WICHITA



PO BOX 31 Russell, KS 67665

RECEIVED

JAN 21 2011

# INVOICE

Invoice Number: 125918

Invoice Date: Jan 9, 2011

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	Livingston #2	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-03	Great Bend	Jan 9, 2011	2/8/11

Quantity	Item	Description	Unit Price	Amount
162.00	MAT	Class A Common	13.50	2,187.00
108.00	MAT	Pozmix	7.55	815.40
9.00	MAT	Gel	20.25	182.25
65.00	MAT	Flo Seal	2.45	159.25
150.00	SER	Handling	2.25	337.50
1.00	SER	Handling Mileage Charge	150.00	150.00
1.00	SER	Rotary Plug	991.00	991.00
10.00	SER	Pump Truck Mileage	7.00	70.00

Subtotal	4,892.40
Sales Tax	308.22
Total Invoice Amount	5,200.62
Payment/Credit Applied	
<b>TOTAL</b>	<b>5,200.62</b>

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

\$ 978.48

ONLY IF PAID ON OR BEFORE

Feb 3, 2011

RECEIVED  
FEB 28 2011  
KCC WICHITA

# ALLIED CEMENTING CO., LLC. 038638

REMIT TO P.O. BOX 31  
RUSSELL, KANSAS 67665

SERVICE POINT: U.B.

DATE <u>1-9-11</u>	SEC <u>26</u>	TWP <u>16</u>	RANGE <u>25</u>	CALLED OUT <u>1:00pm</u>	ON LOCATION <u>5:30pm</u>	JOB START <u>9:00pm</u>	JOB FINISH <u>12:00am</u>
LEASE <u>Livingston #2</u>			LOCATION <u>Arnold 3/4 W 3/5</u>			COUNTY <u>Ness</u>	STATE <u>K.S.</u>
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Pickrell Rigio  
 TYPE OF JOB Rotary Plug  
 HOLE SIZE 7 7/8 T.D. 4620 ft  
 CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4 1/2 DEPTH 1980 ft  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT \_\_\_\_\_

OWNER \_\_\_\_\_  
 CEMENT AMOUNT ORDERED 270 60 47 gal  
1/4 # Flo Seal

COMMON	<u>162</u>	@	<u>13.50</u>	<u>2187.00</u>
POZMIX	<u>108</u>	@	<u>7.55</u>	<u>815.40</u>
GEL	<u>9</u>	@	<u>20.25</u>	<u>182.25</u>
CHLORIDE	_____	@	_____	_____
ASC	_____	@	_____	_____
<u>Flo Seal</u>	<u>65 #</u>	@	<u>2.45</u>	<u>159.25</u>
RECEIVED	_____	@	_____	_____
FEB 28 2011	_____	@	_____	_____
KCC WICHITA	_____	@	_____	_____
HANDLING	<u>150</u>	@	<u>2.25</u>	<u>337.50</u>
MILEAGE	<u>150 x 10 x 10</u>	@	_____	<u>150.00</u>
TOTAL				<u>3831.40</u>

EQUIPMENT

PUMP TRUCK CEMENTER Mike m.  
 # 366 HELPER Bill  
 BULK TRUCK # 344-108 DRIVER Mary  
 BULK TRUCK # \_\_\_\_\_ DRIVER \_\_\_\_\_

REMARKS:  
50 ft at 1980 ft  
80 ft at 1140 ft  
50 ft at 600 ft  
40 ft at 240 ft  
20 ft at 60 ft  
30 ft in Rat Hole

CHARGE TO: Palamino Petro  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

To Allied Cementing Co., LLC.  
 You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Mike Kern  
 SIGNATURE Mike Kern

Thank you 555

SERVICE

DEPTH OF JOB 1980 ft  
 PUMP TRUCK CHARGE \_\_\_\_\_ 991.00  
 EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE 10 @ 7.00 70.00  
 MANIFOLD \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_

TOTAL 1061.00

PLUG & FLOAT EQUIPMENT

\_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_  
 SALES TAX (If Any) \_\_\_\_\_  
 TOTAL CHARGES \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS



PO BOX 31 Russell, KS 67665

RECEIVED

DEC 31 2010

# INVOICE

Invoice Number: 125727

Invoice Date: Dec 20, 2010

Page: 1

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

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

Customer ID	Well Name/# or Customer P.O.	Payment Terms	
Palo	Livingston #2	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Great Bend	Dec 20, 2010	1/19/11

Quantity	Item	Description	Unit Price	Amount
160.00	MAT	Class A Common	13.50	2,160.00
3.00	MAT	Gel	20.25	60.75
5.00	MAT	Chloride	51.50	257.50
160.00	SER	Handling	2.25	360.00
24.00	SER	Mileage 160 sx @.10 per sk per mi	16.00	384.00
1.00	SER	Surface	991.00	991.00
24.00	SER	Pump Truck Mileage	7.00	168.00

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 FEB 28 2011  
 KCC WICHITA

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

\$ 876.35

ONLY IF PAID ON OR BEFORE  
Jan 14 2011

Subtotal	4,381.25
Sales Tax	156.13
Total Invoice Amount	4,537.38
Payment/Credit Applied	
<b>TOTAL</b>	<b>4,537.38</b>

# ALLIEL CEMENTING CO., LLC. 038629

REMIT TO P.O. BOX 31  
RUSSELL, KANSAS 67665

SERVICE POINT: 213

DATE <u>12-20-16</u>	SEC. <u>26</u>	TWP. <u>16</u>	RANGE <u>25</u>	CALLED OUT <u>12:00 PM</u>	ON LOCATION <u>3:45 PM</u>	JOB START <u>10:00 AM</u>	JOB FINISH <u>10:30 AM</u>
LEASE <u>Livingston</u>	WELL # <u>#2</u>	LOCATION <u>Aronld 3/4 W 3/5</u>			COUNTY <u>Ks 55</u>	STATE <u>145</u>	

CONTRACTOR Pickrell Drilling OWNER Palomino

TYPE OF JOB Surface

HOLE SIZE 12 1/2" T.D. 234 ft

CASING SIZE 8 1/2" DEPTH 233 ft

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. 15 ft

PERFS. \_\_\_\_\_

DISPLACEMENT 13.0 bbl

CEMENT AMOUNT ORDERED 160 lb Com 38 cc  
28 gal

COMMON	<u>160</u>	@	<u>13.50</u>	<u>2160.00</u>
POZMIX		@		
GEL	<u>3</u>	@	<u>20.25</u>	<u>60.75</u>
CHLORIDE	<u>5</u>	@	<u>51.50</u>	<u>257.50</u>
ASC		@		

EQUIPMENT

PUMP TRUCK CEMENTER Mitch M

# 181 HELPER Mary

BULK TRUCK

# 344-112 DRIVER Kevin W

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

HANDLING	<u>160</u>	@	<u>2.25</u>	<u>360.00</u>
MILEAGE	<u>160 x 24 x .10</u>			<u>384.00</u>
				TOTAL <u>3,222.35</u>

REMARKS:

Big just started Drilling  
When we got there came out  
of the hole + ran surface  
Pipe circulate the hole  
+ the m.x cement  
Cement did circulate to  
Surface

SERVICE

DEPTH OF JOB	<u>233 ft</u>		
PUMP TRUCK CHARGE			<u>991.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>24</u>	@	<u>7.00</u> <u>168.00</u>
MANIFOLD		@	

CHARGE TO: Palomino Petroleum

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

TOTAL 1159.00

PLUG & FLOAT EQUIPMENT

	@	
	@	
	@	
	@	
	@	

TOTAL \_\_\_\_\_

To Allied Cementing Co., LLC.  
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Mike Kern

SIGNATURE Mike Kern

SALES TAX (If Any) \_\_\_\_\_

TOTAL CHARGES [scribble]

DISCOUNT [scribble] IF PAID IN 30 DAYS

*Thank you*

Company **Palomino Petroleum, Inc.**  
 Address **4824 SE 84th Street**  
 CSZ **Newton, KS 67114**  
 Attn. **Nick Gerstner**

Lease Name **Livingston**  
 Lease # **2**  
 Legal Desc **NE SW SE NW**  
 Section **26**  
 Township **16S**  
 County **Ness**  
 Drilling Cont **Pickrell Drilling #10**

Job Ticket **3410**  
 Range **25W**  
 State **KS**

Comments **Field: Arnold**

**GENERAL INFORMATION**

Test # 1 Test Date **1/6/2011**  
 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 **9.3** Viscosity **57.0**  
 Filtrate **10.4** Chlorides **3200**

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

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

Mileage **160** Approved By  
 Standby Time **0**  
 Extra Equipmnt **Jars & Safety Joint**  
 Time on Site **6:00 PM**  
 Tool Picked Up **7:20 PM**  
 Tool Layed Dwn **2:00 AM**  
 Elevation **2557.00** Kelley Bushings **2562.00**

Formation **Fort Scott**  
 Interval Top **4393.0** Bottom **4449.0**  
 Anchor Len Below **56.0** Between **0**  
 Total Depth **4449.0**

Start Date/Time **1/6/2011 6:53 PM**  
 End Date/Time **1/7/2011 2:21 AM**

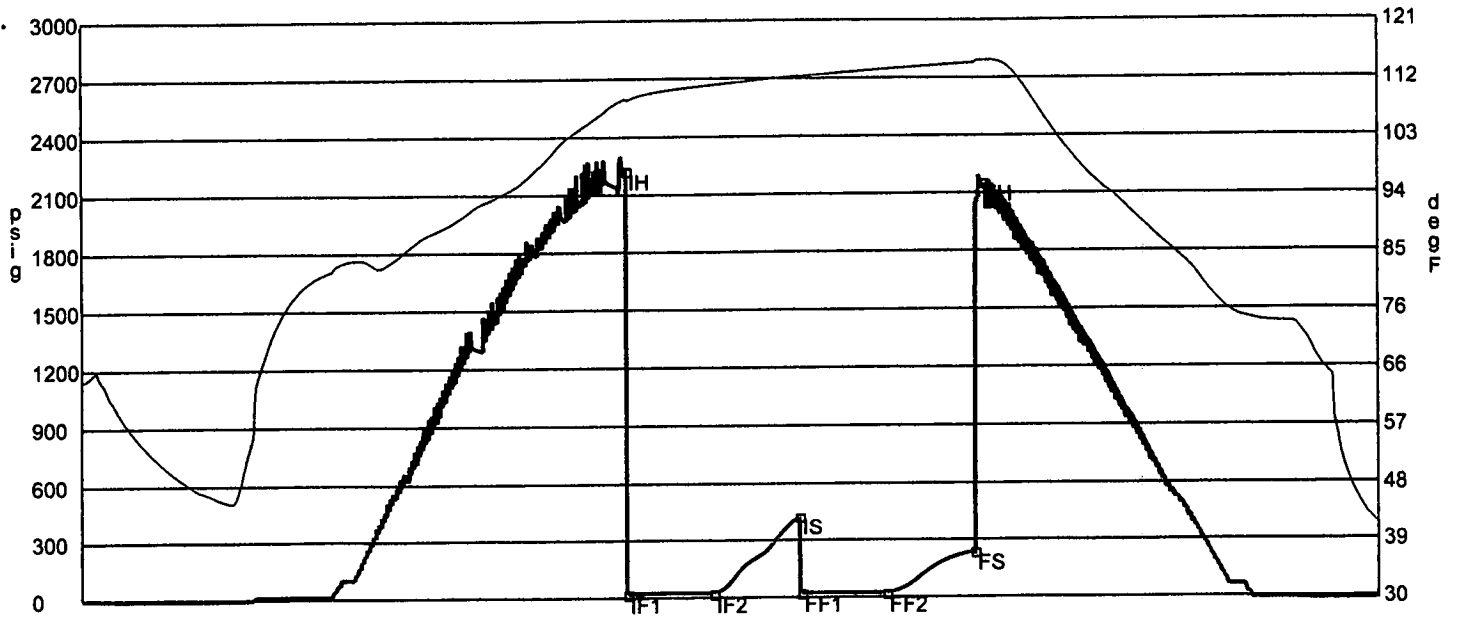
Blow Type **Weak blow building to 1 inch initial flow period. Weak blow building to 1/4 inch final flow perod. Times: 30, 30, 30, 30.**

**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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 KCC WICHITA





	Date	Time	Pressure	Temp	
IH	1/6/2011 10:00:30 PM	3.125	2227.053	108.746	Initial Hydro-static
IF1	1/6/2011 10:00:50 PM	3.130556	21.144	108.565	Initial Flow (1)
IF2	1/6/2011 10:30:30 PM	3.625	22.026	110.901	Initial Flow (2)
IS	1/6/2011 11:00:20 PM	4.122222	428.163	112.211	Initial Shut-In
FF1	1/6/2011 11:01:00 PM	4.133333	23.789	112.184	Final Flow (1)
FF2	1/6/2011 11:30:30 PM	4.625	22.011	113.306	Final Flow (2)
FS	1/7/2011 12:01:10 AM	5.136111	239.572	114.271	Final Shut-In
FH	1/7/2011 12:03:40 AM	5.177778	2155.29	114.644	Final Hydro-static

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke

RECEIVED  
 FEB 28 2011  
 KCC WICHITA

Company **Palomino Petroleum, Inc.**  
 Address **4824 SE 84th Street**  
 CSZ **Newton, KS 67114**  
 Attn. **Nick Gerstner**

Lease Name **Livingston**  
 Lease # **2**  
 Legal Desc **NE SW SE NW**  
 Section **26**  
 Township **16S**  
 County **Ness**  
 Drilling Cont **Pickrell Drilling #10**

Job Ticket **3410**  
 Range **25W**  
 State **KS**

Comments **Field: Arnold**

**GENERAL INFORMATION**

Test # **2** Test Date **1/7/2011**  
 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 **9.3** Viscosity **60.0**  
 Filtrate **9.2** Chlorides **4700**

Chokes **3/4** Hole Size **7 7/8**  
 Top Recorder # **13767**  
 Mid Recorder #  
 Bott Recorder # **w1023**  
 Mileage **0** Approved By  
 Standby Time **0**  
 Extra Equipmnt **Jars & Safety Joint**  
 Time on Site **2:30 PM**  
 Tool Picked Up **4:40 PM**  
 Tool Layed Dwn **10:40 PM**  
 Elevation **2557.00** Kelley Bushings **2562.00**

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

Formation **Mississippian**  
 Interval Top **4465.0** Bottom **4536.0**  
 Anchor Len Below **71.0** Between **0**  
 Total Depth **4536.0**

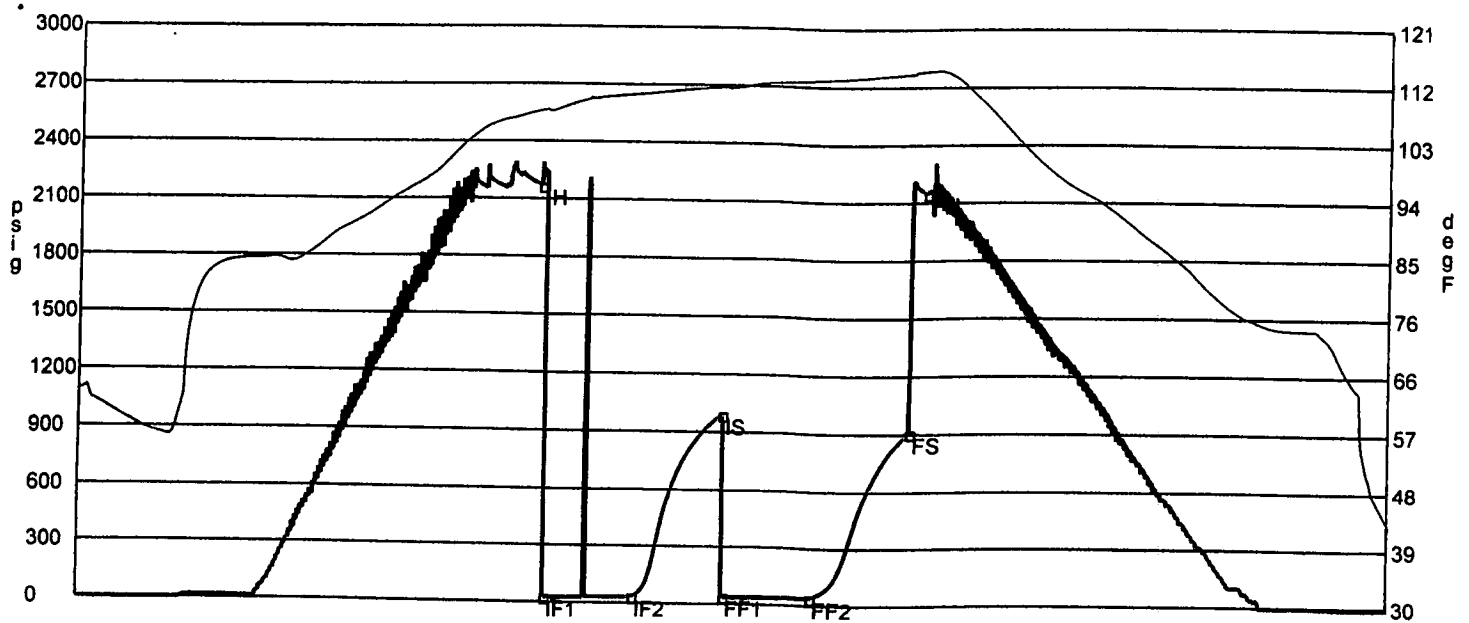
Start Date/Time **1/7/2011 4:16 PM**  
 End Date/Time **1/7/2011 11:32 PM**

Blow Type **Weak surface blow dying to no blow initial flow period. Flushed tool 15 minutes into initial flow period with no help. No blow final flow period. Times: 30, 30, 30, 30.**

**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
1	Clean oil	0% 0ft	100% 1ft	0% 0ft	0% 0ft
10	Slight oil cut mud	0% 0ft	1% 0.4ft	0% 0ft	99% 39.6ft
OST Fluids		<b>0</b>			

RECEIVED  
 FEB 28 2011  
 KCC WICHITA



	Date	Time	Pressure	Temp	
IH	1/7/2011 6:50:30 PM	2.575	2164.885	107.594	Initial Hydro-static
IF1	1/7/2011 6:52:40 PM	2.611111	21.416	107.531	Initial Flow (1)
IF2	1/7/2011 7:22:20 PM	3.105556	28.554	110.269	Initial Flow (2)
IS	1/7/2011 7:52:10 PM	3.602778	986.111	111.599	Initial Shut-In
FF1	1/7/2011 7:53:00 PM	3.616667	34.26	111.481	Final Flow (1)
FF2	1/7/2011 8:22:10 PM	4.102778	36.542	112.856	Final Flow (2)
FS	1/7/2011 8:52:50 PM	4.613889	903.62	113.971	Final Shut-In
FH	1/7/2011 8:57:40 PM	4.694444	2142.917	114.41	Final Hydro-static

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke

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Company	<b>Palomino Petroleum, Inc.</b>	Lease Name	<b>Livingston</b>	
Address	<b>4824 SE 84th Street</b>	Lease #	<b>2</b>	
CSZ	<b>Newton, KS 67114</b>	Legal Desc	<b>NE SW SE NW</b>	Job Ticket <b>3410</b>
Attn.	<b>Nick Gerstner</b>	Section	<b>26</b>	Range <b>25W</b>
		Township	<b>16S</b>	
		County	<b>Ness</b>	State <b>KS</b>
		Drilling Cont	<b>Pickrell Drilling #10</b>	
Comments	<b>Field: Arnold</b>			

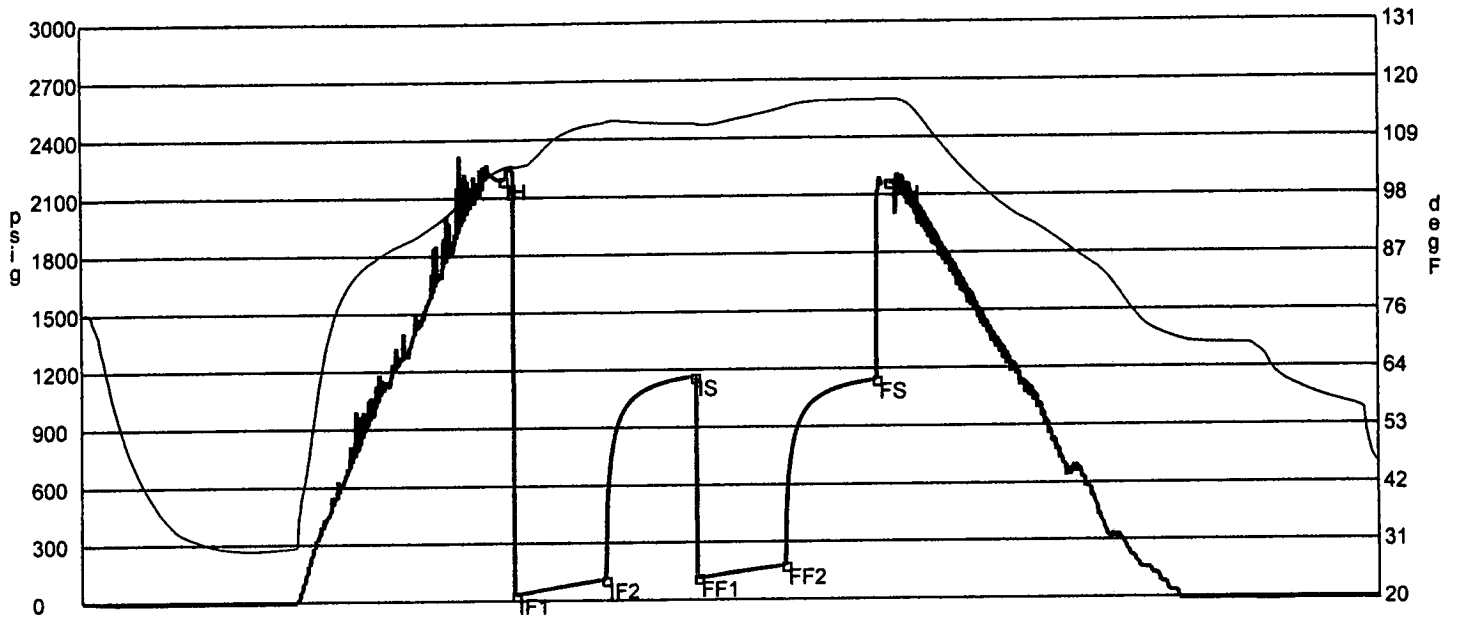
**GENERAL INFORMATION**

Test # <b>3</b>	Test Date <b>1/8/2011</b>	Chokes <b>3/4</b>	Hole Size <b>7 7/8</b>
Tester <b>Jimmy Ricketts</b>		Top Recorder # <b>13767</b>	
Test Type <b>Conventional Bottom Hole Successful Test</b>		Mid Recorder #	
# of Packers <b>2.0</b>	Packer Size <b>6 3/4</b>	Bott Recorder # <b>w1023</b>	
Mud Type <b>Gel Chem</b>		Mileage <b>0</b>	Approved By
Mud Weight <b>9.4</b>	Viscosity <b>54.0</b>	Standby Time <b>0</b>	
Filtrate <b>9.2</b>	Chlorides <b>4700</b>	Extra Equipmnt <b>Jars &amp; Safety Joint</b>	
Drill Collar Len <b>0</b>		Time on Site <b>6:00 AM</b>	
Wght Pipe Len <b>0</b>		Tool Picked Up <b>8:30 AM</b>	
		Tool Layed Dwn <b>2:20 PM</b>	
Formation <b>Mississippian</b>		Elevation <b>2557.00</b>	Kelley Bushings <b>2562.00</b>
Interval Top <b>4465.0</b>	Bottom <b>4557.0</b>	Start Date/Time <b>1/8/2011 7:50 AM</b>	
Anchor Len Below <b>92.0</b>	Between <b>0</b>	End Date/Time <b>1/8/2011 2:59 PM</b>	
Total Depth <b>4557.0</b>			
Blow Type <b>Weak blow building to strong blow 18 minutes into initial flow period. Weak blow building to strong blow 19 minutes into final flow period. 1/4 inch blowback during final shut-in period. Times: 30,30, 30, 30.</b>			

**RECOVERY**

Feet	Description	Gas		Oil		Water		Mud	
100	Slight oil cut mud	0%	0ft	2%	2ft	0%	0ft	98%	98ft
235	Slight oil and heavy water cut mud	0%	0ft	1%	2.4ft	19%	44.6ft	80%	188ft
1	Heavy oil and mud cut water in tool sample	0%	0ft	10%	0.1ft	57%	0.6ft	33%	0.3ft
DST Fluids	<b>10000</b>								

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	Date	Time	Pressure	Temp	
IH	1/8/2011 10:08:30 AM	2.308333	2190.111	103.332	Initial Hydro-static
IF1	1/8/2011 10:12:15 AM	2.370833	29.842	103.597	Initial Flow (1)
IF2	1/8/2011 10:42:15 AM	2.870833	108.455	111.908	Initial Flow (2)
IS	1/8/2011 11:12:00 AM	3.366667	1162.813	111.653	Initial Shut-In
FF1	1/8/2011 11:13:00 AM	3.383333	115.42	111.496	Final Flow (1)
FF2	1/8/2011 11:42:00 AM	3.866667	176.975	114.606	Final Flow (2)
FS	1/8/2011 12:12:30 PM	4.375	1141.601	115.981	Final Shut-In
FH	1/8/2011 12:16:45 PM	4.445833	2164.203	116.079	Final Hydro-static

**GAS FLOWS**

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Company	<b>Palomino Petroleum, Inc.</b>	Lease Name	<b>Livingston</b>	
Address	<b>4824 SE 84th Street</b>	Lease #	<b>2</b>	
CSZ	<b>Newton, KS 67114</b>	Legal Desc	<b>NE SW SE NW</b>	Job Ticket <b>3410</b>
Attn.	<b>Nick Gerstner</b>	Section	<b>26</b>	Range <b>25W</b>
		Township	<b>16S</b>	
		County	<b>Ness</b>	State <b>KS</b>
		Drilling Cont	<b>Pickrell Drilling #10</b>	
Comments	<b>Field: Arnold</b>			

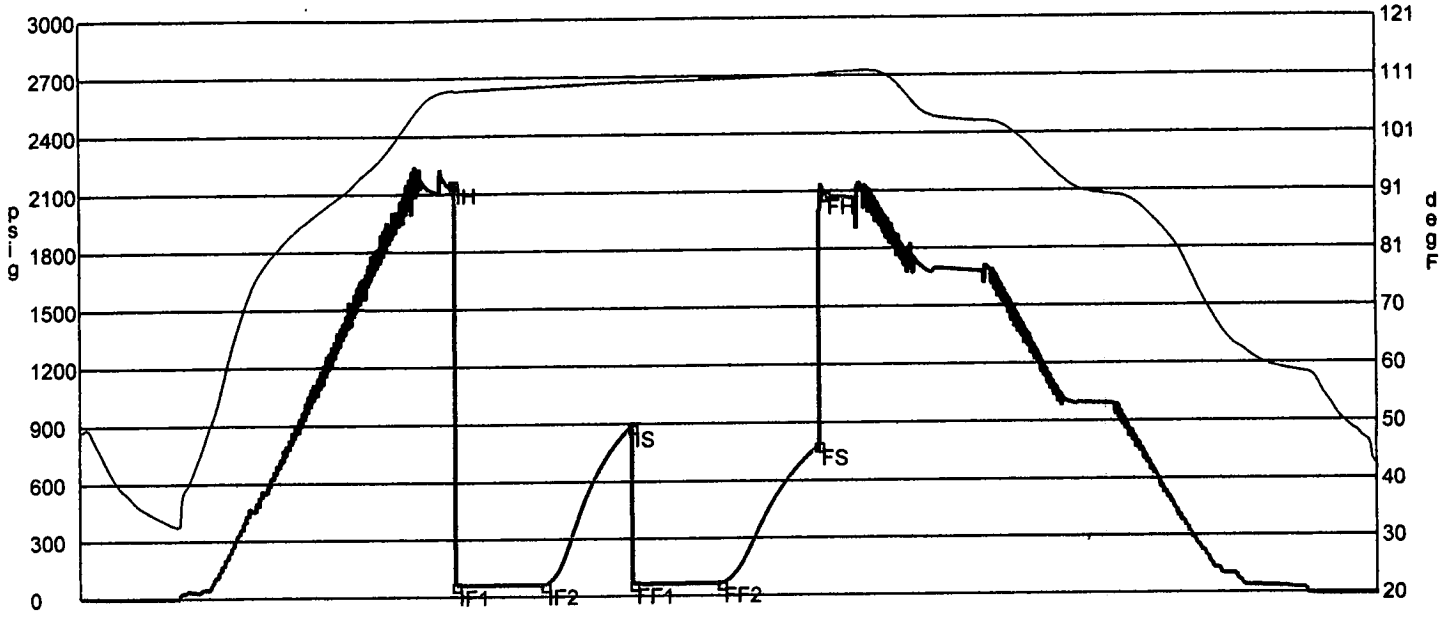
**GENERAL INFORMATION**

Test # <b>4</b>	Test Date <b>1/9/2011</b>	Chokes <b>3/4</b>	Hole Size <b>7 7/8</b>
Tester <b>Jimmy Ricketts</b>		Top Recorder # <b>11027</b>	
Test Type <b>Straddle</b>		Mid Recorder # <b>w1023</b>	
		Bott Recorder # <b>13767</b>	
# of Packers <b>3.0</b>	Packer Size <b>6 3/4</b>	Mileage <b>0</b>	Approved By
		Standby Time <b>0</b>	
Mud Type <b>Gel Chem</b>		Extra Equipmnt <b>Jars, Safety Joint, Extra Packer</b>	
Mud Weight <b>9.4</b>	Viscosity <b>48.0</b>	Time on Site <b>2:30 AM</b>	
Filtrate <b>9.2</b>	Chlorides <b>4700</b>	Tool Picked Up <b>5:00 AM</b>	
		Tool Layed Dwn <b>11:30 AM</b>	
Drill Collar Len <b>0</b>		Elevation <b>2557.00</b>	Kelley Bushings <b>2562.00</b>
Wght Pipe Len <b>0</b>			
Formation <b>Marmaton</b>		Start Date/Time <b>1/9/2011 4:50 AM</b>	
Interval Top <b>4214.0</b>	Bottom <b>4298.0</b>	End Date/Time <b>1/9/2011 12:07 PM</b>	
Anchor Len Below <b>325.0</b>	Between <b>84.0</b>		
Total Depth <b>4623.0</b>			
Blow Type <b>Weak blow building to 1 inch initial flow period. No blow final flow period.</b>			
	<b>Times: 30, 30, 30, 33.</b>		

**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
25	Drilling mud	0% 0ft	0% 0ft	0% 0ft	100% 25ft
DST Fluids	<b>0</b>				

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	Date	Time	Pressure	Temp	
IH	1/9/2011 6:55:30 AM	2.091667	2150.124	108.726	Initial Hydro-static
IF1	1/9/2011 6:56:10 AM	2.102778	55.16	108.549	Initial Flow (1)
IF2	1/9/2011 7:26:10 AM	2.602778	56.607	109.199	Initial Flow (2)
IS	1/9/2011 7:55:50 AM	3.097222	879.849	109.897	Initial Shut-In
FF1	1/9/2011 7:56:20 AM	3.105556	59.029	109.797	Final Flow (1)
FF2	1/9/2011 8:25:50 AM	3.597222	61.212	110.289	Final Flow (2)
FS	1/9/2011 8:59:00 AM	4.15	776.657	110.956	Final Shut-In
FH	1/9/2011 9:01:20 AM	4.188889	2076.793	111.2	Final Hydro-static

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