

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. Newton  
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: 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 #: \_\_\_\_\_

<u>2/19/11</u>	<u>2/27/11</u>	<u>2/27/11</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-25215-0000

Spot Description: \_\_\_\_\_

SW SE SW SW Sec. 21 Twp. 19 S. R. 25  East  West

287 Feet from  North /  South Line of Section

758 Feet from  East /  West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE       NW       SE       SW

County: Ness

Lease Name: Dinges-Grumbein Well #: 1

Field Name: None (Wildcat)

Producing Formation: None

Elevation: Ground: 2603 Kelly Bushing: 2608

Total Depth: 4729 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 #: \_\_\_\_\_

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: 4/27/11

**KCC Office Use ONLY RECEIVED**

Letter of Confidentiality Received

Date: \_\_\_\_\_ **APR 28 2011**

Confidential Release Date: \_\_\_\_\_

Wireline Log Received

**KCC WICHITA**

Geologist Report Received

UIC Distribution

ALT  I  II  III Approved by: DIG Date: 5/6/11

Operator Name: Palomino Petroleum, Inc. Lease Name: Dinges-Grumbein Well #: 1

Sec. 21 Twp. 19 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 type="checkbox"/> Yes <input checked="" 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 checked="" 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>1878</td> <td>(+ 731)</td> </tr> <tr> <td>Base Anhy.</td> <td>1918</td> <td>(+ 690)</td> </tr> <tr> <td>Topeka</td> <td>3655</td> <td>(-1047)</td> </tr> <tr> <td>Heebner</td> <td>3962</td> <td>(-1354)</td> </tr> <tr> <td>Lansing</td> <td>4004</td> <td>(-1396)</td> </tr> <tr> <td>BKC</td> <td>4336</td> <td>(-1728)</td> </tr> </table>	Name	Top	Datum	Anhy.	1878	(+ 731)	Base Anhy.	1918	(+ 690)	Topeka	3655	(-1047)	Heebner	3962	(-1354)	Lansing	4004	(-1396)	BKC	4336	(-1728)
Name	Top	Datum																				
Anhy.	1878	(+ 731)																				
Base Anhy.	1918	(+ 690)																				
Topeka	3655	(-1047)																				
Heebner	3962	(-1354)																				
Lansing	4004	(-1396)																				
BKC	4336	(-1728)																				

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#	234'	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

RECEIVED  
APR 28 2011

KCC WICHITA

TUBING RECORD:	Size:	Set At:	Packer At:	Liner Run: <input type="checkbox"/> Yes <input 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

<b>DISPOSITION OF GAS:</b> <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<b>METHOD OF COMPLETION:</b> <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) _____	<b>PRODUCTION INTERVAL:</b> _____ _____
--	---	---

**LOGS**

Marmaton	4372	(-1764)
Pawnee	4446	(-1838)
Ft. Scott	4518	(-1910)
Cherokee Sh.	4542	(-1934)
Miss. Dolo.	4632	(-2024)
LTD	4729	(-2121)

RECEIVED  
APR 28 2011  
KCC WICHITA

RECEIVED

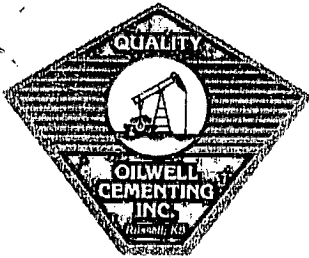
MAR 05 2011

Date: 3/2/2011  
Invoice # 4823

P.O.#:

Due Date: 4/1/2011

Division: Russell



**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

# Invoice

**Contact:**

PALOMINO PETROLEUM

**Address/Job Location:**

PALOMINO PETROLEUM

4924 SE 84 TH

NEWTON KS 67114

**Reference:**

DINGES-GRUMBEIN 1

**Description of Work:**

PLUG JOB

**Services / Items Included:**

	Quantity	Price	Taxable	Item	Quantity	Price	Taxable
Labor		\$ 963.85	No				
Common-Class A	156	\$ 2,008.93	Yes				
Bulk Truck Matl-Material Service Charge	269	\$ 567.89	No				
POZ Mix-Standard	104	\$ 504.98	Yes				
Pump Truck Mileage-Job to Nearest Camp	19	\$ 200.15	No				
Premium Gel (Bentonite)	9	\$ 154.66	Yes				
Flo Seal	64	\$ 135.11	Yes				
Bulk Truck Mileage-Job to Nearest Bulk Plant	19	\$ 117.12	No				

**Invoice Terms:**

Net 30

SubTotal: \$ 4,652.70

Discount Available ONLY if Invoice is Paid & Received within listed terms of invoice: \$ (697.90)

SubTotal for Taxable Items: \$ 2,383.13

SubTotal for Non-Taxable Items: \$ 752.39

Total: \$ 3,954.79

Tax: \$ 150.14

Amount Due: \$ 4,104.93

Applied Payments:

Balance Due: \$ 4,104.93

**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.

©2008-2013 Straker Investments, LLC. All rights reserved.

6.30% Ness County Sales Tax

RECEIVED  
APR 28 2011  
KCC WICHITA

# QUALITY OILWELL CEMENTING, INC.

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

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

No. 4823

Date	2-27-11	Sec.	21	Twp.	19	Range	25	County	NEOSHO	State	KS	On Location		Finish	6:15 AM
Lease	DUNCAN GROMBEN			Well No.	1			Location	Lard 75 1/2 W 12 1/2 N into						

Contractor	Mallard			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	KING PLUG			Hole Size	7/8		T.D.	4728							
Csg.				Depth	Charge To: Palomo Petroleum										
Tbg. Size				Depth	Street										
Tool				Depth	City State										
Cement Left in Csg.				Shoe Joint	The above was done to satisfaction and supervision of owner agent or contractor.										
Meas Line				Displace	Cement Amount Ordered 260 60/40 Hybrid 418 RD										

**EQUIPMENT**

Pumptrk	1	No.	Cement	Helper	Two	Common	156									
Bulktrk		No.	Driver	White		Poz. Mix	104									
Bulktrk	10	No.	Driver	Brian		Gel.	9									

**JOB SERVICES & REMARKS**

Remarks:	Hulls														
Rat Hole	30SK														
Mouse Hole	Flowseal 6.5#														
Centralizers	Kol-Seal														
Baskets	Mud CLR 48														
D/V or Port Collar	CFL-117 or CD110 CAF 38														
1st	1920	50SK													
2nd	1080	80SK													
3rd	600	40SK													
4th	240	40SK													
5th	60	20SK													

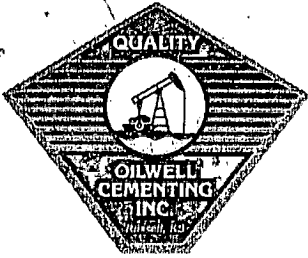
**FLOAT EQUIPMENT**

Guide Shoe															
Centralizer															
Baskets															
AFU Inserts															
Float Shoe															
Latch Down															

*Thanks!*

RECEIVED  
APR 28 2011  
KCC WICHITA

Pumptrk Charge	plug														
Mileage	19														
Tax															
Discount															
Total Charge	260.00														
Signature															



**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

Date: 2/22/2011  
 Invoice # 4757  
 P.O.#:  
 Due Date: 3/24/2011  
 Division: Russell

# Invoice

RECEIVED  
 FEB 24 2011

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

**Reference:**  
 DINGES-GRUMBEIN 1

**Description of Work:**  
 SURFACE JOB

Services / Items Included:	Quantity	Price	Taxable	Item	Quantity	Price	Taxable
Labor		\$ 991.39	No				
Common-Class A	160	\$ 2,119.31	Yes				
Bulk Truck Matl-Material Service Charge	168	\$ 364.80	No				
Calcium Chloride	5	\$ 204.44	Yes				
Pump Truck Mileage-Job to Nearest Camp	19	\$ 205.87	No				
Bulk Truck Mileage-Job to Nearest Bulk Plant	19	\$ 120.47	No				
Premium Gel (Bentonite)	3	\$ 53.03	Yes				

**Invoice Terms:**

Net 30

SubTotal: \$ 4,059.31  
 Discount Available ONLY if Invoice is Paid & Received  
 within listed terms of invoice: \$ (608.90)

SubTotal for Taxable Items:	\$ 2,020.26
SubTotal for Non-Taxable Items:	\$ 587.47
<b>Total:</b>	<b>\$ 3,450.42</b>
<b>Tax:</b>	<b>\$ 127.28</b>

6.30% Ness County Sales Tax

**Thank You For Your Business!**

**Amount Due: \$ 3,577.69**  
**Applied Payments:**  
**Balance Due: \$ 3,577.69**

Past Due Invoices are subject to a service charge (annual rate of 24%)  
 This does not include any applicable taxes unless it is listed.  
 ©2008-2013 Straker Investments, LLC. All rights reserved.

RECEIVED  
 APR 28 2011  
 KCC WICHITA

# QUALITY OILWELL CEMENTING, INC.

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

Home Office P.O. Box 2 Russell, KS 67665

No. 4757

Date	2-20-11	Sec.	21	Twp.	19	Range	25	County	Ness	State	Ks	On Location		Finish	2:00 AM
Lease	Dinges-Crambain			Well No.	# 1			Location	Land, Ks - T5, 1/2 W, 1 N, 2 W, N/E 1/4						
Contractor	Mallard Drilling							Owner	To. Quality Oilwell Cementing, Inc.						
Type Job	Surface							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	Palamino Petroleum							
Csg.	8 5/8"		Depth	234'			Street								
Tbg. Size			Depth												
Tool			Depth												
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 BLS			Cement Amount Ordered	160 sk Common 30% CC 2% Gel							

### EQUIPMENT

Pumptrk	1	No.	Cementer/Helper	Doug	Common	160
Bulktrk	8	No.	Driver	Brian F.	Poz. Mix	
Bulktrk	1	No.	Driver	Rick	Gel.	3
					Calcium	3

### JOB SERVICES & REMARKS

Remarks	Cement did circulate	Hulls	
Rat Hole		Salt	
Mouse Hole		Flowseal	
Centralizers		Kol-Seal	
Baskets		Mud CLR 48	
D/V or Port Collar		CFL-117 or CD110 CAF 38	
		Sand	
		Handling	168
		Mileage	

### FLOAT EQUIPMENT

Guide Shoe	
Centralizer	
Baskets	
AFU Inserts	
Float Shoe	
Latch Down	

Quality Oilwell Cementing

RECEIVED  
APR 28 2011  
KCC WICHITA

Pumptrk Charge	Surface	Tax	
Mileage	19	Discount	
Signature	Bob Drew	Total Charge	