

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 # 33575
Name: WW Drilling, L.L.C.
Wellsite Geologist: Nicholas P. Gerstner & Robert A. Schreiber
Purchaser: NCRA

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 #: _____

<u>2/16/11</u>	<u>2/25/11</u>	<u>8/25+1 2/28/11</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 109-20983-0000
Spot Description: _____
SE SE SW Sec. 19 Twp. 13 S. R. 32 [] East [x] West
607 Feet from [] North / [x] South Line of Section
2,223 Feet from [] East / [x] West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Logan
Lease Name: Stoll-Hughes Well #: 1
Field Name: None (Wildcat)
Producing Formation: Johnson
Elevation: Ground: 3015 Kelly Bushing: 3020
Total Depth: 4746 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 221 Feet
Multiple Stage Cementing Collar Used? [x] Yes [] No
If yes, show depth set: 2447 Feet
If Alternate II completion, cement circulated from: 2447
feet depth to: surface w/ 180 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: 6/7/11

KCC Office Use ONLY

Letter of Confidentiality Received **RECEIVED**
Date: _____
 Confidential Release Date: JUN 08 2011
 Wireline Log Received
 Geologist Report Received **KCC WICHITA**
 UIC Distribution
ALT [] I [x] II [] III Approved by: Dlg Date: 6/13/11

Operator Name: Palomino Petroleum, Inc. Lease Name: Stoll-Hughes Well #: 1

Sec. 19 Twp. 13 S. R. 32 East West County: Logan

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 Yes No
(Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No

Electric Log Submitted Electronically Yes No
(If no, Submit Copy)

List All E. Logs Run:

Radiation Guard, Sonic

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Anhy.	2482	(+ 538)
Base Anhy.	2504	(+ 516)
Stotler	3597	(- 577)
Howard	3667	(- 647)
Topeka	3721	(- 701)
Heebner	3945	(- 925)
Toronto	3965	(- 945)

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#	221'	Common	165	2% gel, 3% c.c.
Production	7 7/8"	5 1/2"	14#	4739'	SMD	70	500 gal. mud flush
					EA-2	100	wadd. 20 bbls. KCL water

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
4	4576-4578; 4568-4572	500 gal. 15% NE w/5 gals. antisludge (3% m.s.)	

TUBING RECORD: Size: 2 7/8" Set At: 4704' Packer At: _____ Liner Run: Yes No

Date of First, Resumed Production, SWD or ENHR. 4/8/11 Producing Method: Flowing Pumping Gas Lift Other (Explain) _____

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	99%	84	1%	.5	

DISPOSITION OF GAS:	METHOD OF COMPLETION:	PRODUCTION INTERVAL:
<input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease (If vented, Submit ACO-18.)	<input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. (Submit ACO-5) <input type="checkbox"/> Commingled (Submit ACO-4) <input type="checkbox"/> Other (Specify) _____	RECEIVED JUN 08 2011 KCC WICHITA

LOGS

LKC	3988	(- 968)
Stark	4228	(-1208)
BKC	4299	(-1279)
Marmaton	4347	(-1327)
Pawnee	4442	(-1422)
Ft. Scott	4496	(-1476)
Cherokee Sh.	4522	(-1502)
Johnson	4567	(-1547)
Morrow Sh.	4608	(-1588)
Morrow Sd.	4622	(-1602)
Miss.	4632	(-1612)
LTD	4746	(-1726)

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JUN 08 2011
KCC WICHITA



P. O. Box 466
 Ness City, KS 67560
 Off: 785-798-2300



Invoice

DATE	INVOICE #
3/17/2011	20545

BILL TO
Palomino Petroleum Inc. 4924 S E 84th Street Newton, KS 67114-8827

RECEIVED

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Stoll-Hughes	Logan	DS&W Well Servi...	Oil	Development	Acidize Formation	Jason
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way				90	Miles	5.00	450.00
501D	Acid Pump Charge				1	Job	600.00	600.00
301 - 15%	FE Acid				500	Gallons	1.75	875.00
231	AS-1 ESA-77 (3-N)				2	Gallon(s)	20.00	40.00
236	AS-2 (AS-7)				1	Gallon(s)	30.00	30.00
235	INH.1 ESA-28				1	Gallon(s)	35.00	35.00
232	Musal ESA-64				15	Gallon(s)	16.00	240.00
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00
	Subtotal							2,320.00
	Sales Tax Logan County						7.80%	0.00
We Appreciate Your Business!						Total		\$2,320.00

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CHARGE TO: **PALOMINO PETROLEUM**
 ADDRESS:
 CITY, STATE, ZIP CODE:

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 JUN 08 2011
 KCC WICHITA

TICKET

PAGE 1 OF 1

SERVICE LOCATIONS: 1. **NESS CITY, KS**

WELL/PROJECT NO.:
 LEASE: **STOLL-HUGHES #1**
 COUNTY/PARISH: **LOGAN**
 STATE: **KS**
 CITY: **OAKLEY, KS**
 DATE: **17 MAR 11**
 OWNER:

TICKET TYPE: SERVICE SALES
 CONTRACTOR: **DS&W WELL SERV.**
 RIG NAME/NO.:
 SHIPPED VIA:
 DELIVERED TO: **LOCATION**
 ORDER NO.:

WELL TYPE: **OIL**
 WELL CATEGORY: **DEVELOPMENT**
 JOB PURPOSE: **ACIDIZE FORMATION**
 WELL PERMIT NO.:
 WELL LOCATION: **14S, 3W, 1S, 1/2W, SE 1/4**

REFERRAL LOCATION:
 INVOICE INSTRUCTIONS:

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
500		1			MILEAGE #11D	90		mi		5.00	450.00
501		1			Pump CHARGE	1		JOB		600.00	600.00
301		1			FE ACID	500		gal	15%	1.75	875.00
231		1			AS-1	2		gal		20.00	40.00
236		1			AS-2	1		gal		30.00	30.00
235		1			LWHIB-1	1		gal		35.00	35.00
232		1			MUSDL	15		gal		16.00	240.00
221		1			LIQUID KCL	2		gal		25.00	50.00

LEGAL TERMS: Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

x *[Signature]*
 DATE SIGNED: **17 MAR 11** TIME SIGNED: **11:30** A.M. P.M.

REMIT PAYMENT TO:
 SWIFT SERVICES, INC.
 P.O. BOX 466
 NESS CITY, KS 67560
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				2320.00
WE UNDERSTOOD AND MET YOUR NEEDS?				
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				Logan TAX 7.8%
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES <input type="checkbox"/> NO			TOTAL
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				2320.00

JOB LOG

SWIFT Services, Inc.

DATE 17 MAR 11 PAGE NO. 1

CUSTOMER **WALDMING PETROLEUM** WELL NO. LEASE **STOLL-HUGHES #1** JOB TYPE **ACIDIZE FORMATION** TICKET NO. **20545**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1020							ON LOCATION 5 ¹ / ₂ -14 ^B
	1036	6						START ACID DOWN
		6	12	X	✓			START R KCL FLUSH
		6	30	X	✓			START FLUSH
			111	X	✓			TREAT ON VAC
			115					CBL LOADED - 4 BBL OUT
	1101	3 ¹ / ₄			✓		450	TREATING
	1103	3 ¹ / ₄	123		✓		450	START 2 BBL OVER FLUSH
	1104	Ø	125		✓		450	ISLP
							VAC	3 MIN SAUT IN VAC
								TREAT WITH 500 gal 15% FF
								PERFS @ 45168-72
	1130							JOB COMPLETE.
								THANKS # 110
								JASON JEFF

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SWIFT



P. O. Box 466
Ness City, KS 67560
Off: 785-798-2300



Invoice

DATE	INVOICE #
2/28/2011	20154

BILL TO
Palomino Petroleum Inc. 4924 S E 84th Street Newton, KS 67114-8827

RECEIVED

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Stoll-Hughes	Logan	DS&W Well Servi...	Oil	Development	Cement Port Collar	Blaine
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				80	Miles	5.00	400.00
576D-D	Pump Charge - Port Collar				1	Job	1,100.00	1,100.00
330	Swift Multi-Density Standard (MIDCON II)				180	Sacks	15.00	2,700.00T
276	Flocele				50	Lb(s)	1.50	75.00T
290	D-Air				2	Gallon(s)	35.00	70.00T
104	Port Collar Tool Rental				1	Each	200.00	200.00T
581D	Service Charge Cement				300	Sacks	1.50	450.00
583D	Drayage				1,194.12	Ton Miles	1.00	1,194.12
	Subtotal							6,189.12
	Sales Tax Logan County						7.80%	237.51

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JUN 08 2011
KCC WICHITA

We Appreciate Your Business!

Total \$6,426.63



CHARGE TO: *Palamino Petroleum*

ADDRESS

CITY, STATE, ZIP CODE

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 JUN 08 2011
 KCC WICHITA

TICKET

PAGE 1 OF 1

SERVICE LOCATIONS 1. <i>1100 C. 7g KS</i>	WELL/PROJECT NO. <i>#1</i>	LEASE <i>Stoll-Huges</i>	COUNTY/PARISH <i>Logan</i>	STATE <i>KS</i>	CITY <i>OAKLEY</i>	DATE <i>28 Feb 11</i>	OWNER
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <i>DSW</i>	RIG NAME/NO.	SHIPPED VIA <i>CT</i>	DELIVERED TO <i>location</i>	ORDER NO.	
3.	WELL TYPE <i>oil</i>	WELL CATEGORY <i>Development</i>	JOB PURPOSE <i>concrete port collar</i>	WELL PERMIT NO.	WELL LOCATION <i>12-5 3-4 1-5 141 5 146</i>		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF								
- 575		1			MILEAGE TRK 114	80	mi			5.00	400.00	
576 D		1			Pump Charge	1	ea			1100.00	1100.00	
330		1			SMI cement			140	sk	15.00	2700.00	
276		1			flocule			50	lb	1.50	75.00	
290		1			D-AIR			2	gal	35.00	70.00	
581		1			Service charge	300	sk			1.50	450.00	
583		1			Drayage	2 985.3	lb	1194.12	T/M	1.00	1194.12	
104		1			Port Collar Tool Rental	1	ea				200.00	

LEGAL TERMS: Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

x *Paul Shultz*

DATE SIGNED _____ TIME SIGNED _____

A.M.
 P.M.

REMIT PAYMENT TO:

SWIFT SERVICES, INC.
 P.O. BOX 466
 NESS CITY, KS 67560
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				6189
WE UNDERSTOOD AND MET YOUR NEEDS?				6239
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				Logan TAX 7.8%
ARE YOU SATISFIED WITH OUR SERVICE?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		237 51
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL
				6426 63

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and ser. ces listed on this ticket.

SWIFT OPERATOR _____ APPROVAL _____

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 28 FEB 11 PAGE NO. 7

CUSTOMER Palatin Petroleum WELL NO. #1 LEASE Stoil-Huges JOB TYPE Cement port collar TICKET NO. 20154

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
								300 sks SMD w/ 1/4" floacle. Port collar = 2447' 5 1/2 x 2 3/8
	1410							on loc TRK 114
	1445							open tool - test hold 500
	1520							inj rate 2 1/2 bpm @ 400
	1525	4 1/2				600	600	mix SMD cement @ 11.2 ppg circ. fluid to pit
		6 1/2				600	600	
		10				450	450	
		4 1/2	97			600	600	Cement to surface 180 sks mixed
	1545							close tool
								test - holding
	1555							run 5 joints
	1600		22					Reverse hole clean - 2 cement floacle 20 sks to pit
	1610							wash truck pull hole tool out of hole
	1625							job complete
								wait on tool
								180 sks mixed 20 sks to pit
								Thanks Duke, Joe, Blake

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P. O. Box 466
Ness City, KS 67560
Off: 785-798-2300

Invoice

DATE	INVOICE #
2/25/2011	19607

BILL TO
Palomino Petroleum Inc. 4924 S E 84th Street Newton, KS 67114-8827

RECEIVED

- Acidizing
- Cement
- Tool Rental

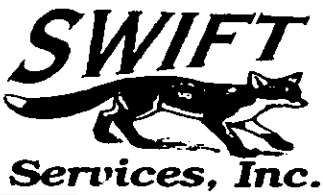
TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Stoll-Hughes	Logan	WW Drilling #4	Oil	Development	LongString	Dave
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				80	Miles	5.00	400.00
578D-L	Pump Charge - Long String				1	Job	1,400.00	1,400.00
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00T
281	Mud Flush				500	Gallon(s)	1.00	500.00T
290	D-Air				2	Gallon(s)	35.00	70.00T
402-5	5 1/2" Centralizer				10	Each	55.00	550.00T
403-5	5 1/2" Cement Basket				3	Each	200.00	600.00T
404-5	5 1/2" Port Collar				1	Each	1,900.00	1,900.00T
406-5	5 1/2" Latch Down Plug & Baffle				1	Each	225.00	225.00T
407-5	5 1/2" Insert Float Shoe With Auto Fill				1	Each	275.00	275.00T
419-5	5 1/2" Rotating Head Rental				1	Each	150.00	150.00T
325	Standard Cement				100	Sacks	12.00	1,200.00T
330	Swift Multi-Density Standard (MIDCON II)				100	Sacks	15.00	1,500.00T
276	Flocele				50	Lb(s)	1.50	75.00T
283	Salt				500	Lb(s)	0.15	75.00T
284	Calseal				5	Sack(s)	30.00	150.00T
285	CFR-1				70	Lb(s)	4.00	280.00T
581D	Service Charge Cement				200	Sacks	1.50	300.00
583D	Drayage				819.2	Ton Miles	1.00	819.20
	Subtotal							10,519.20
	Sales Tax Logan County						7.80%	592.80

RECEIVED
JUN 08 2011
KCC WICHITA

We Appreciate Your Business!

Total

\$11,112.00



CHARGE TO: Palominos Petroleum
 ADDRESS:
 CITY, STATE, ZIP CODE:

RECEIVED
 JUN 08 2011
 KOC WICHITA

TICKET

PAGE 1 OF 2

SERVICE LOCATIONS 1. <u>HAYS</u>	WELL/PROJECT NO. <u>1</u>	LEASE <u>STOLL-HUGHES</u>	COUNTY/PARISH <u>LOGAN</u>	STATE <u>KS</u>	CITY	DATE <u>02-25-11</u>	OWNER
2. <u>NESS</u>	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR	RIG NAME/NO. <u>W220RLG #4</u>	SHIPPED VIA <u>C.T.</u>	DELIVERED TO <u>1423 W. 6th St, Ness, DAMEY</u>	ORDER NO.	
3.	WELL TYPE <u>OIL</u>	WELL CATEGORY <u>DEVELOP</u>	JOB PURPOSE <u>LONGSTRINGS</u>	WELL PERMIT NO. <u>15-109-20923</u>	WELL LOCATION <u>S19, T13, R32</u>		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF								
575		1			MILEAGE #112	80		MI		5.20	400	00
578		1			Pump Service	1		EA		1400.00	1400	00
021		1			LIQUIDWELL	2		WAL		25.00	50	00
281		1			MUDFLUSH	500		WAL		1.00	500	00
290		1			D-AIR	2		WAL		35.00	70	00
402		1			CENTRALIZER	10		EA	5/8 IN	55.00	550	00
403		1			BASINS	3		EA	5/2 IN	200.00	600	00
404		1			Poly ColLAR	1		EA	5/2 IN	1900.00	1900	00
406		1			LATCH DOWN PLUG & BASTLE	1		EA	5/2 IN	225.00	225	00
407		1			INERT FLOW SHIP 1/2 AUTO FILL	1		EA	5/2 IN	275.00	275	00
		1			ROTATING HOOD RENTL	1		EA	5/2 IN	150.00	150	00

LEGAL TERMS: Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

X [Signature]
 DATE SIGNED 02-25-11 TIME SIGNED 0930 A.M. P.M.

REMIT PAYMENT TO:
 SWIFT SERVICES, INC.
 P.O. BOX 466
 NESS CITY, KS 67560
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE		
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				PAGE TOTAL P6-1	6120.00
WE UNDERSTOOD AND MET YOUR NEEDS?				PAGE TOTAL P6-2	4399.20
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				SUB TOTAL	10,519.20
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				Logan TAX 7.8%	592.80
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	11,112.00
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.

SWIFT OPERATOR [Signature] APPROVAL

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 02-25-11 PAGE NO. 1

CUSTOMER DIAMOND PETROLEUM WELL NO. 1 LEASE STOLL-HUGHES JOB TYPE LONGSTRING TICKET NO. 19607

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL/HR)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0830							<p>QULOCATION</p> <p>CMT: LEAD 100 SMD @ 12.7</p> <p>TAIL 100 EA-2 @ 15.5</p> <p>RCD 4716, SCDPE @ 4739, SJ 20.62, TOST 4718</p> <p>5 1/2" 14" FORMULINE ON TOP SS, 24771</p> <p>CONV 1, 2, 3, 4, 5, 7, 9, 11, 12, 54 SPMAT 3.8, SS</p>
	0615							START CG-FLOPPED
	0910							TR4 BOTTOM - STOP
	0915							BREAK CIRC & RIMMER PIPE
	1020		7					PLUG PH 30
	1025	5.5	12		-		200	500GALS MUD FLUSH
			20		-			20 BBL 2% HCL FLUSH
			260		-			70% SMD
			215		-			100% EA-2
								DROP CO PLUG, WASHOUT PL
	1040	6.5	0		-		200	START DUMP
			65		-		200	CMT ON BOTTOM
			100		-		550	STOP ROTATING
			105		-		650	
			110		-		750	
	1100	4.5	115.1		-		1400	LAND PLUG
	1105							RELEASE DUMP
	1145							JOB COMPLETE

THANK YOU!
 Dave Joshi, Joe
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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 # 239598

Invoice Date: 02/22/2011 Terms: 0/0/30,n/30

Page 1

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

RECEIVED

STOLL-HUGHES #1
30210
19-13S-32W
2-16-11

Part Number	Description	Qty	Unit Price	Total
1104S	CLASS "A" CEMENT (SALE)	165.00	16.8000	2772.00
1102	CALCIUM CHLORIDE (50#)	465.00	.8400	390.60
1118B	PREMIUM GEL / BENTONITE	310.00	.2400	74.40

Sublet Performed	Description	Total
9999-100	CASH DISCOUNT	-948.80

Description	Hours	Unit Price	Total
463 CEMENT PUMP (SURFACE)	1.00	1025.00	1025.00
463 EQUIPMENT MILEAGE (ONE WAY)	15.00	5.00	75.00
558 MIN. BULK DELIVERY	1.00	410.00	410.00

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Parts:	3237.00	Freight:	.00	Tax:	252.49	AR	4050.69
Labor:	.00	Misc:	.00	Total:	4050.69		
Sublt:	-948.80	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

OAKLEY, KS
785/672-2227

OTTAWA, KS
785/242-4044

THAYER, KS
620/839-5269

WORLAND, WY
307/347-4577



CONSOLIDATED
Oil Well Services, LLC

PO Box 884, Chanute, KS 66720
120-431-9210 or 800-467-8676

TICKET NUMBER 30210

LOCATION Oakley

FOREMAN Troy Strickler

FIELD TICKET & TREATMENT REPORT
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
2-16-11	6285	Stoll-Hughes #1	19	13S	32W	Logan
CUSTOMER <u>Palamino Petroleum</u>		Salty mud ms JG	TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS <u>4924 SE 84th st</u>			463	Miles		
CITY <u>4924 SE 84th st</u>			558	Josh		
STATE		ZIP CODE				

JOB TYPE S/P 0 HOLE SIZE _____ HOLE DEPTH _____ CASING SIZE & WEIGHT 8 5/8"
 CASING DEPTH 220' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 15# SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT in CASING 15'
 DISPLACEMENT 12 3/4 Bbl DISPLACEMENT PSI _____ MIX PSI _____ RATE _____

REMARKS: Safety meeting! Rig up to 8 5/8" casing. Pump 1165sk Class A Cement w/ 3% Cacl₂ + 2% Gel @ 15# gal. Displace w/ 12 3/4 Bbl. Shut casing in w/ Good Cement to surface.

Job Complete

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
54015	1	PUMP CHARGE	1025.00	1025.00
5406	15	MILEAGE	5.00	75.00
11045	165sk	Class A Cement	16.80	2772.00
1102	465 #	3% Cacl ₂	.84	390.60
1118B	310 #	2% Gel	.24	74.40
5407		Ton-Mileage	m/c	410.00
			Sub total	4747.00
			Discount 20%	949.80
				3798.20
			SALES TAX	252.49
			ESTIMATED TOTAL	4050.69

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Thanks

AUTHORIZATION [Signature] TITLE Tool Pusher DATE 2-16-2011

I acknowledge that the payment terms, unless specifically amended in writing on the front of the form or in the customer's account records, at our office, and conditions of service on the back of this form are in effect for services identified on this for

Company	Palomino Petroleum, Inc.	Lease Name	Stoll-Hughes	
Address	4924 SE 84th St.	Lease #	1	
CSZ	Newton, KS 67114	Legal Desc	SE-SE-SW	Job Ticket 2141
Attn.	Bob Schreiber	Section	19	Range 32W
		Township	13S	
		County	Logan	State KS
		Drilling Cont	WW Drilling, LLC Rig #4	
Comments	Charged double milage on DST #3 to pick up tool on 2-24-2011			

GENERAL INFORMATION

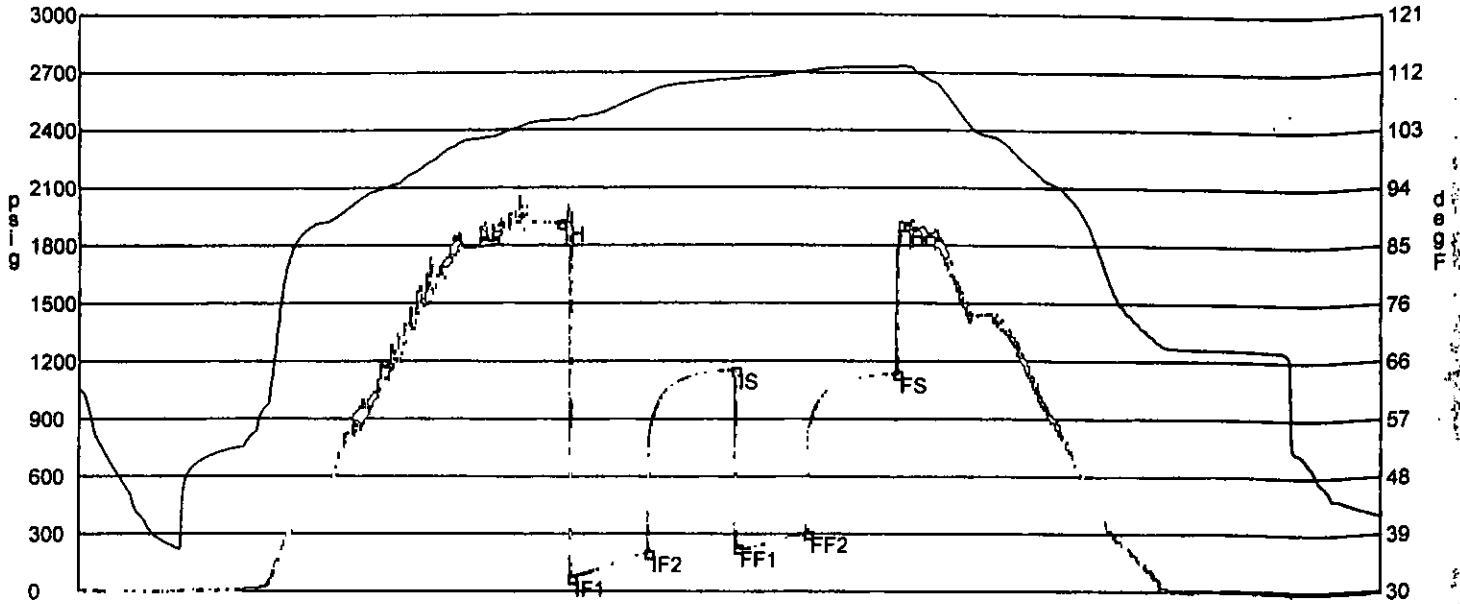
Test # 1	Test Date 2/21/2011	Chokes 3/4	Hole Size 7 7/8
Tester Tim Venters		Top Recorder # W1119	
Test Type Conventional Bottom Hole Successful Test		Mid Recorder # W1022	
# of Packers 2.0	Packer Size 6 3/4	Bott Recorder # 13310	
Mud Type Gel Chem		Mileage 360	Approved By
Mud Weight 9.0	Viscosity 62.0	Standby Time 0	
Filtrate 7.2	Chlorides 2200	Extra Equipmnt Jars & Safety joint	
Drill Collar Len 124.0		Time on Site 2:45 AM	
Wght Pipe Len 0		Tool Picked Up 4:30 AM	
		Tool Layed Dwn 11:10 AM	
Formation Lansing "A-D"		Elevation 3015.00	Kelley Bushings 3020.00
Interval Top 3991.0	Bottom 4099.0	Start Date/Time 2/21/2011 3:53 AM	
Anchor Len Below 108.0	Between 0	End Date/Time 2/21/2011 11:11 AM	
Total Depth 4099.0			
Blow Type Fairly weak 1" blow at start of initial flow period, buidling, reaching bottom of bucket in 7 min. Weak surface blow at start of final flow period, building, reaching bottom of bucket in 10 1/2 min. It never did blow water out of bucket during either flow period. The tool had a slight trace of oil in it. Times: 25, 30, 25, 30.			

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
50	Very slight water cut mud	0% 0ft	0% 0ft	10% 5ft	90% 45ft
255	Very heavy water cut mud	0% 0ft	0% 0ft	42% 107.1ft	58% 147.9ft
250	Mud cut water	0% 0ft	0% 0ft	68% 170ft	32% 80ft
60	Water cut mud	0% 0ft	0% 0ft	30% 18ft	70% 42ft

DST Fluids **44000**

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	Date	Time	Pressure	Temp	
IH	2/21/2011 6:35:10 AM	2.702778	1914.322	104.366	Initial Hydro-static
IF1	2/21/2011 6:39:10 AM	2.769444	70.923	104.36	Initial Flow (1)
IF2	2/21/2011 7:05:10 AM	3.202778	199.046	108.729	Initial Flow (2)
IS	2/21/2011 7:34:20 AM	3.688889	1153.516	110.858	Initial Shut-In
FF1	2/21/2011 7:35:10 AM	3.702778	226.675	110.826	Final Flow (1)
FF2	2/21/2011 7:59:00 AM	4.1	301.348	112.099	Final Flow (2)
FS	2/21/2011 8:29:10 AM	4.602778	1135.032	112.852	Final Shut-In
FH	2/21/2011 8:32:20 AM	4.655556	1904.032	112.906	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	Stoll-Hughes
Address	4924 SE 84th St.	Lease #	1
CSZ	Newton, KS 67114	Legal Desc	SE-SE-SW
Attn.	Bob Schreiber	Section	19
		Township	13S
		County	Logan
		Drilling Cont	WW Drilling, LLC Rig #4
Job Ticket		State	KS
Range			32W

Comments **Charged double milage on DST #3 to pick up tool on 2-24-2011**

GENERAL INFORMATION

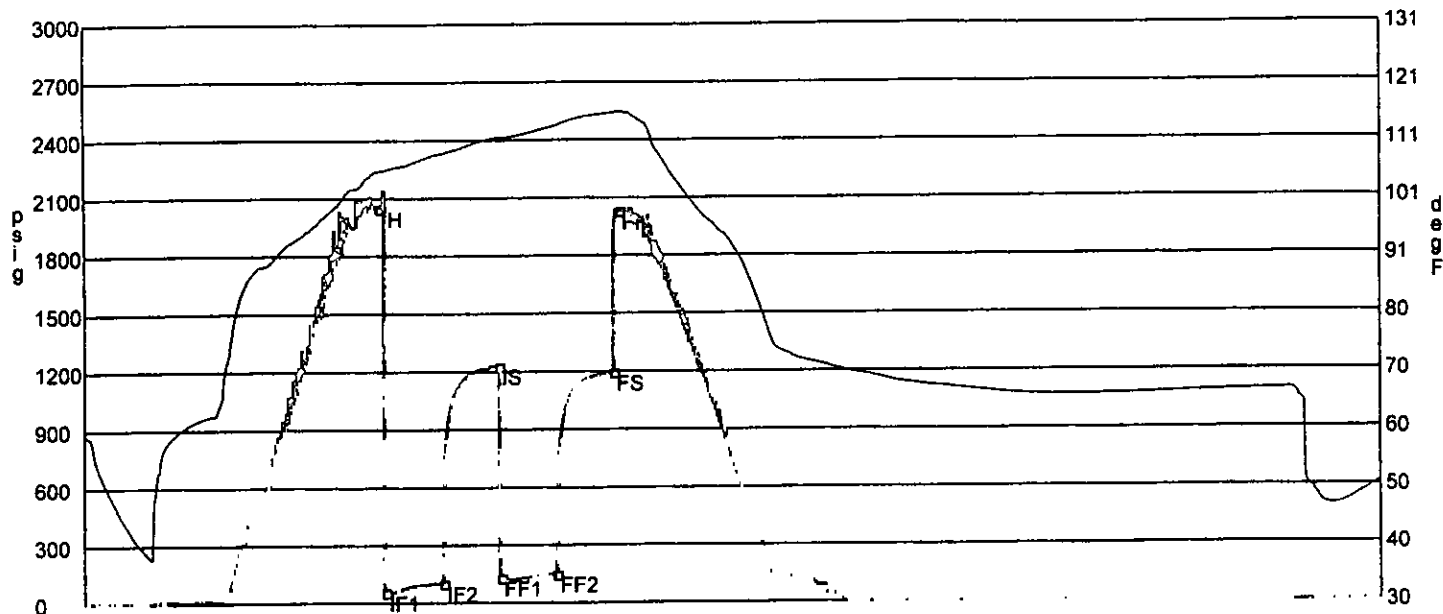
Test #	2	Test Date	2/22/2011	Chokes	3/4	Hole Size	7 7/8
Tester	Tim Venters			Top Recorder #	W1119		
Test Type	Conventional Bottom Hole			Mid Recorder #	W1022		
	Successful Test			Bott Recorder #	13310		
# of Packers	2.0	Packer Size	6 3/4	Mileage	40	Approved By	
Mud Type	Gel Chem			Standby Time	0		
Mud Weight	9.2	Viscosity	59.0	Extra Equipmnt	Jars & Safety joint		
Filtrate	8.8	Chlorides	3400	Time on Site	2:20 AM		
Drill Collar Len	124.0			Tool Picked Up	3:20 AM		
Wght Pipe Len	0			Tool Layed Dwn	1:45 PM		
				Elevation	3015.00	Kelley Bushings	3020.00
Formation	Lansing "K"			Start Date/Time	2/22/2011 2:41 AM		
Interval Top	4229.0	Bottom	4270.0	End Date/Time	2/22/2011 2:02 PM		
Anchor Len Below	41.0	Between	0				
Total Depth	4270.0						
Blow Type	Weak 1/2" blow at start of intial flow period, building, reaching bottom of bucket in 24 min. Very weak surface blow back during intial shut-in period, lasting a few minutes. Weak 1/4" blow at start of final flow period, building, reaching bottom of bucket in 27 min. Weak surface blow back throughout final shut-in period. Times: 30, 30, 30, 30. Oil Gravity: 37.						

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
10	Clean oil	0% 0ft	100% 10ft	0% 0ft	0% 0ft
85	Very slight oil, heavy water cut mud	0% 0ft	1% 0.8ft	42% 35.7ft	57% 48.4ft
175	Slight mud cut water with a slight trace of oil	0% 0ft	trace	80% 140ft	20% 35ft
10	Mud with a very slight trace of oil	0% 0ft	trace	0% 0ft	100% 10ft

DST Fluids **42000**

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JUN 08 2011
KCC WICHITA



	Date	Time	Pressure	Temp	
IH	2/22/2011 5:14:50 AM	2.563889	2050.036	105.4	Initial Hydro-static
IF1	2/22/2011 5:18:10 AM	2.619444	58.403	105.592	Initial Flow (1)
IF2	2/22/2011 5:48:50 AM	3.130556	103.476	108.575	Initial Flow (2)
IS	2/22/2011 6:18:10 AM	3.619444	1231.288	111.324	Initial Shut-In
FF1	2/22/2011 6:19:10 AM	3.636111	133.635	111.228	Final Flow (1)
FF2	2/22/2011 6:48:40 AM	4.127778	153.079	113.354	Final Flow (2)
FS	2/22/2011 7:18:40 AM	4.627778	1197.492	115.548	Final Shut-In
FH	2/22/2011 7:21:40 AM	4.677778	2032.141	115.737	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

RECEIVED
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 KCC WICHITA

Company	Palomino Petroleum, Inc.	Lease Name	Stoll-Hughes
Address	4924 SE 84th St.	Lease #	1
CSZ	Newton, KS 67114	Legal Desc	SE-SE-SW
Attn.	Bob Schreiber	Section	19
		Township	13S
		County	Logan
		Drilling Cont	WW Drilling, LLC Rig #4
Job Ticket		State	KS
Range			32W

Comments **Charged double milage on DST #3 to pick up tool on 2-24-2011**

GENERAL INFORMATION

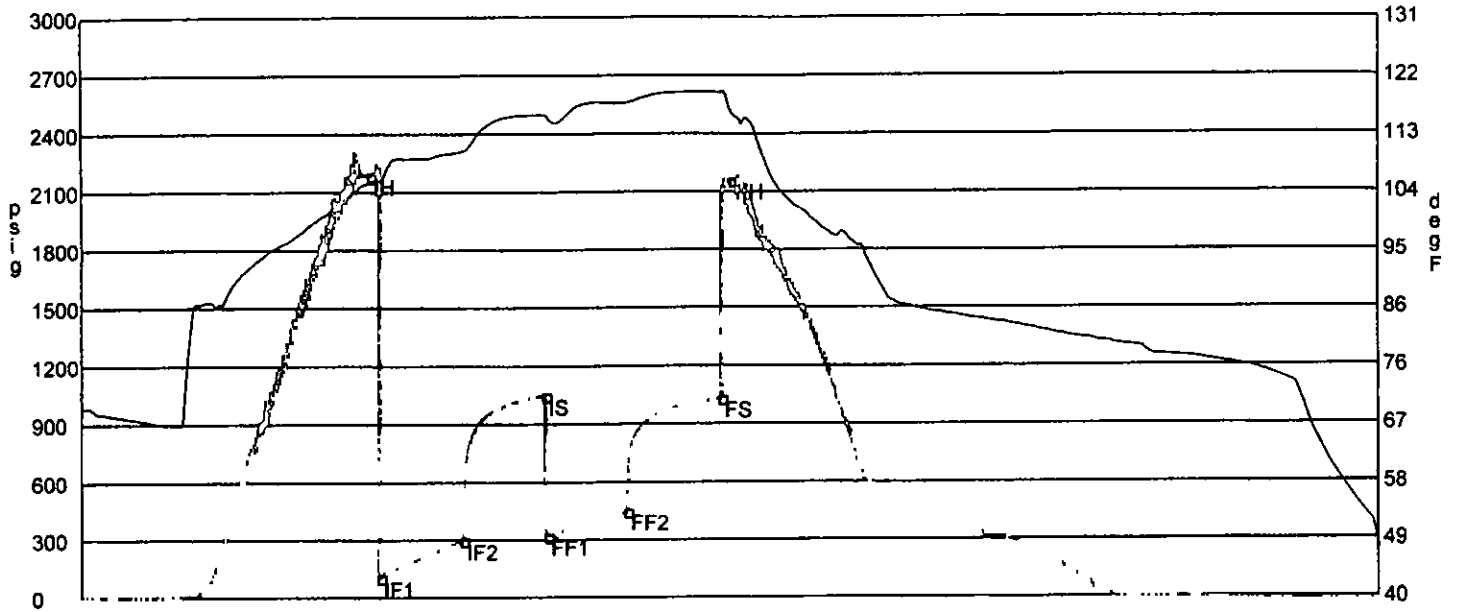
Test # 3	Test Date	2/24/2011	Chokes	3/4	Hole Size	7 7/8
Tester	Tim Venters		Top Recorder #	W1119		
Test Type	Conventional Bottom Hole		Mid Recorder #	W1022		
	Successful Test		Bott Recorder #	13310		
# of Packers	2.0	Packer Size	6 3/4	Mileage	80	Approved By
Mud Type	Gel Chem			Standby Time	0	
Mud Weight	9.5	Viscosity	61.0	Extra Equipmnt	Jars & Safety joint	
Filtrate	8.8	Chlorides	3000	Time on Site	3:00 PM	
				Tool Picked Up	5:10 PM	
				Tool Layed Dwn	12:20 AM	
Drill Collar Len	124.0			Elevation	3015.00	Kelley Bushings
Wght Pipe Len	0					3020.00
Formation	Ft. Scott-Johnson			Start Date/Time	2/23/2011 4:36 PM	
Interval Top	4467.0	Bottom	4613.0	End Date/Time	2/24/2011 12:26 AM	
Anchor Len Below	146.0	Between	0			
Total Depth	4613.0					
Blow Type	Strong blow throughout initial flow period, reaching bottom of bucket in 3 min. Weak surface blow back after we bled line off (15 min.) on initial shut-in period, building to 2 1/2". Strong blow throughout final flow period, reaching bottom of bucket in 3 min. Weak surface blow back after we bled line off (20 min.) on final shut-in period, building to 6". Times: 30, 30, 30, 34. Oil Gravity: 30.					

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
1260	Gas in Pipe	100% 1260ft	0% 0ft	0% 0ft	0% 0ft
60	Gassy, very slight oil cut mud	2% 1.2ft	2% 1.2ft	0% 0ft	96% 57.6ft
125	Gassy, oil cut mud	3% 3.8ft	30% 37.5ft	0% 0ft	67% 83.8ft
985	Gassy, mud cut oil	5% 49.2ft	70% 689.5ft	0% 0ft	25% 246.2ft

DST Fluids **0**

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 KCC WICHITA



	Date	Time	Pressure	Temp	
IH	2/23/2011 6:20:00 PM	1.733333	2187.128	105.087	Initial Hydro-static
IF1	2/23/2011 6:23:40 PM	1.794444	102.636	105.353	Initial Flow (1)
IF2	2/23/2011 6:54:00 PM	2.3	295.613	110.235	Initial Flow (2)
IS	2/23/2011 7:23:50 PM	2.797222	1047.417	115.813	Initial Shut-In
FF1	2/23/2011 7:24:40 PM	2.811111	317.595	115.385	Final Flow (1)
FF2	2/23/2011 7:53:40 PM	3.294444	444.476	117.707	Final Flow (2)
FS	2/23/2011 8:27:50 PM	3.863889	1029.41	119.321	Final Shut-In
FH	2/23/2011 8:31:50 PM	3.930556	2158.195	115.993	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

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 KCC WICHITA