

ORIGINAL

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

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

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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 #: _____
4/18/11 4/28/11 4/28/11
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 083-21699 • 00 • 00
Spot Description: _____
SW SW NE NW Sec. 12 Twp. 22 S. R. 23 East West
1,245 Feet from North / South Line of Section
1,496 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Hodgeman
Lease Name: Aloha Well #: 1
Field Name: Hanston-Oppy
Producing Formation: None
Elevation: Ground: 2320 Kelly Bushing: 2330
Total Depth: 4629 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 236 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: 7/27/11

KCC Office Use ONLY
 Letter of Confidentiality Received
Date: _____
 Confidential Release Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
ALT I II III Approved by: PLA Dig Date: 8/10/11

Operator Name: Palomino Petroleum, Inc. Lease Name: Aloha Well #: 1
 Sec. 12 Twp. 22 S. R. 23 East West County: Hodgeman

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 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 type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: Dual Induction, Compensated Density/Neutron	<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>1505</td> <td>(+ 825)</td> </tr> <tr> <td>Base Anhy.</td> <td>1539</td> <td>(+ 791)</td> </tr> <tr> <td>Heebner</td> <td>3864</td> <td>(-1534)</td> </tr> <tr> <td>Lansing</td> <td>3914</td> <td>(-1584)</td> </tr> <tr> <td>BKC</td> <td>4254</td> <td>(-1924)</td> </tr> <tr> <td>Marmaton</td> <td>4286</td> <td>(-1956)</td> </tr> <tr> <td>Ft. Scott</td> <td>4441</td> <td>(-2111)</td> </tr> </table>	Name	Top	Datum	Anhy.	1505	(+ 825)	Base Anhy.	1539	(+ 791)	Heebner	3864	(-1534)	Lansing	3914	(-1584)	BKC	4254	(-1924)	Marmaton	4286	(-1956)	Ft. Scott	4441	(-2111)
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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#	236'	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 (Amount and Kind of Material Used)	Depth

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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 checked="" 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)</i> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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LOGS

Miss. Osage	4542	(-2212)
LTD	4629	(-2299)

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PO BOX 31 Russell, KS 67665

RECEIVED

MAY 07 2011

INVOICE

Invoice Number: 127077

Invoice Date: Apr 28, 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	Aloha #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-03	Great Bend	Apr 28, 2011	5/28/11

Quantity	Item	Description	Unit Price	Amount
150.00	MAT	Class A Common	16.25	2,437.50
100.00	MAT	Pozmix	8.50	850.00
9.00	MAT	Gel	21.25	191.25
259.00	SER	Handling	2.25	582.75
66.00	SER	Mileage 259 sx @ .11 per sk per mi	28.49	1,880.34
1.00	SER	Rotary Plug	1,250.00	1,250.00
132.00	SER	Pump Truck Mileage	7.00	924.00
132.00	SER	Light Vehicle Mileage	4.00	528.00
1.00	CEMENTER	Wayne Davis		
1.00	OPER ASSIST	Bobby Roller		
1.00	OPER ASSIST	Trent Hall		

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

\$ 1728.66

ONLY IF PAID ON OR BEFORE
May 23, 2011

Subtotal	8,643.84
Sales Tax	643.97
Total Invoice Amount	9,287.81
Payment/Credit Applied	
TOTAL	9,287.81

ALLIED CEMENTING CO., LLC. 038800

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

SERVICE POINT:
Great Bend KS

DATE <u>4-28-11</u>	SEC. <u>12</u>	TWP. <u>22S</u>	RANGE <u>23W</u>	CALLED OUT	ON LOCATION	JOB START <u>1200 AM</u>	JOB FINISH <u>100 PM</u>
LEASE <u>Aloha</u>	WELL # <u>1</u>	LOCATION <u>Hanston KS 1/4 North To A</u>			COUNTY <u>Hodgeman</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one)			Road <u>Sweet North East To</u>				

CONTRACTOR Maurice Rig 106
 TYPE OF JOB Rotary Plug
 HOLE SIZE 7 1/4 T.D. 4630
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 DEPTH 1530
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER Palomino Petroleum Inc

CEMENT AMOUNT ORDERED 250 SY 60/40 + 4% Gel

COMMON	<u>150</u>	@	<u>16.25</u>	<u>2,437.50</u>
POZMIX	<u>100</u>	@	<u>8.50</u>	<u>850.00</u>
GEL	<u>9</u>	@	<u>21.25</u>	<u>191.25</u>
CHLORIDE		@		
ASC		@		

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HANDLING	<u>259</u>	@	<u>2.25</u>	<u>582.75</u>
MILEAGE	<u>259 x 6.6 x .11</u>			<u>1,880.74</u>
TOTAL				<u>5,941.84</u>

EQUIPMENT

PUMP TRUCK CEMENTER Wayne
 # 224 HELPER Bob
 BULK TRUCK
 # 341 DRIVER Trent
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

1st plug 1530 mix 50 SX
2nd plug 660 mix 80 SX
3rd plug 270 mix 50 SX
4th plug 60 mix 20 SX
5th plug Rat mix 30 SX
6th plug mouse mix 20 SX

SERVICE

DEPTH OF JOB	<u>1530</u>			
PUMP TRUCK CHARGE				<u>1250.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>132</u>	@	<u>7.00</u>	<u>924.00</u>
MANIFOLD		@		
<u>light truck</u>	<u>132</u>	@	<u>4.00</u>	<u>528.00</u>

CHARGE TO: Palomino Petroleum Inc
 STREET _____
 CITY _____ STATE _____ ZIP _____

TOTAL 2702.00

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.

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

PRINTED NAME Cecil E. Farmer
 SIGNATURE Cecil E. Farmer



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 # 240861

Invoice Date: 04/27/2011 Terms: 0/0/30,n/30

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

ALOHA #1
30776
12-22-23
KS

RECEIVED
APR 29 2011

Part Number	Description	Qty	Unit Price	Total
1104S	CLASS "A" CEMENT (SALE)	160.00	16.8000	2688.00
1102	CALCIUM CHLORIDE (50#)	450.00	.8400	378.00
1118B	PREMIUM GEL / BENTONITE	300.00	.2400	72.00

Sublet Performed	Description	Total
9999-130	CASH DISCOUNT	-470.70
9999-130	CASH DISCOUNT	-255.04

Description	Hours	Unit Price	Total
463 CEMENT PUMP (SURFACE)	1.00	1025.00	1025.00
463 EQUIPMENT MILEAGE (ONE WAY)	40.00	5.00	200.00
558 TON MILEAGE DELIVERY	1.00	475.26	475.26

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Parts:	3138.00	Freight:	.00	Tax:	198.71	AR	4311.23
Labor:	.00	Misc:	.00	Total:	4311.23		
Sublt:	-725.74	Supplies:	.00	Change:	.00		

Signed _____ Date _____

BARTLESVILLE, OK
918/338-0808

EL DORADO, 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

TICKET NUMBER 30776
LOCATION Oakley Ks
FOREMAN Kelly Gable

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

FIELD TICKET & TREATMENT REPORT
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
4-17-11	6285	Along #1	12	22S	23	Hodgeman
CUSTOMER Palomino Petroleum			Hanston			
MAILING ADDRESS			1.3N			
CITY			5W			
STATE			1N			
ZIP CODE			TRUCK #	DRIVER	TRUCK #	DRIVER
			463	Miles Shaw		
			558	Joshi Guddle		

JOB TYPE Surface-0 HOLE SIZE 12 1/4 HOLE DEPTH 241 CASING SIZE & WEIGHT 8 5/8 - 20#
 CASING DEPTH 236 DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 15.2 SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT In CASING 15'
 DISPLACEMENT 14 BBL DISPLACEMENT PSI _____ MIX PSI _____ RATE 5-BPM

REMARKS: Safety meeting, rig up to circ
Mix 160 sks com, 3% acc - 2% chl
Displace 14 BBL H₂O
shut in
Cement did circulate

THANK YOU
Kelly & Crew

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
54015	1	PUMP CHARGE	1,025.00	1,025.00
5406	40	MILEAGE	5.00	200.00
11045	160 SKS	Class A Cement	16.80	2,688.00
1102	450 #	Calcium Chloride	1.84	378.00
1118B	300 #	Bentonite	.24	72.00
5407A	7.52	Ton Mileage Delivery	1.58	475.26
KANSAS CORPORATION COMMISSION				
JUL 29 2011				
RECEIVED				
				240865
				4,838.26
				Less 15% Disc - 725.74
				4,112.52
				SALES TAX 1.98.71
				ESTIMATED TOTAL 4311.23

Revin 3737

AUTHORIZATION Bill E. Janner TITLE pusher DATE 4-19-2011

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 form.