

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**

**ORIGINAL**

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  
Purchaser: NCRA

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>6/8/11</u>                     | <u>6/15/11</u>  | <u>6/15/11</u>                          |
| Spud Date or<br>Recompletion Date | Date Reached TD | Completion Date or<br>Recompletion Date |

API No. 15 - 135-25265-00-00  
Spot Description: \_\_\_\_\_  
NW SW SE NE Sec. 35 Twp. 19 S. R. 25  East  West  
2,294 Feet from  North /  South Line of Section  
1,046 Feet from  East /  West Line of Section

Footages Calculated from Nearest Outside Section Corner:  
 NE     NW     SE     SW  
County: Ness  
Lease Name: Felzien Well #: 1  
Field Name: None (Wildcat)  
Producing Formation: Mississippian  
Elevation: Ground: 2386 Kelly Bushing: 2391  
Total Depth: 4679 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 858 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: RECEIVED bbls  
Dewatering method used: \_\_\_\_\_  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_ **KCC WICHITA**  
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: 9/8/11

**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: Dg Date: 10/4/11

Operator Name: Palomino Petroleum, Inc. Lease Name: Felzien Well #: 1  
 Sec. 35 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><i>(Attach Additional Sheets)</i><br><br>Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>Electric Log Submitted Electronically <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><i>(If no, Submit Copy)</i><br><br>List All E. Logs Run:<br><b>Radiation Guard</b> | <input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample<br><br><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>1666</td> <td>(+ 725)</td> </tr> <tr> <td>Base Anhy.</td> <td>1704</td> <td>(+ 687)</td> </tr> <tr> <td>Topeka</td> <td>3459</td> <td>(-1068)</td> </tr> <tr> <td>Heebner</td> <td>3772</td> <td>(-1381)</td> </tr> <tr> <td>Lansing</td> <td>3815</td> <td>(-1424)</td> </tr> <tr> <td>BKC</td> <td>4146</td> <td>(-1755)</td> </tr> <tr> <td>Marmaton</td> <td>4188</td> <td>(-1797)</td> </tr> </table> | Name    | Top | Datum | Anhy. | 1666 | (+ 725) | Base Anhy. | 1704 | (+ 687) | Topeka | 3459 | (-1068) | Heebner | 3772 | (-1381) | Lansing | 3815 | (-1424) | BKC | 4146 | (-1755) | Marmaton | 4188 | (-1797) |
| Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Top                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Datum   |     |       |       |      |         |            |      |         |        |      |         |         |      |         |         |      |         |     |      |         |          |      |         |
| Anhy.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1666                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (+ 725) |     |       |       |      |         |            |      |         |        |      |         |         |      |         |         |      |         |     |      |         |          |      |         |
| Base Anhy.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1704                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (+ 687) |     |       |       |      |         |            |      |         |        |      |         |         |      |         |         |      |         |     |      |         |          |      |         |
| Topeka                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 3459                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (-1068) |     |       |       |      |         |            |      |         |        |      |         |         |      |         |         |      |         |     |      |         |          |      |         |
| Heebner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3772                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (-1381) |     |       |       |      |         |            |      |         |        |      |         |         |      |         |         |      |         |     |      |         |          |      |         |
| Lansing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3815                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (-1424) |     |       |       |      |         |            |      |         |        |      |         |         |      |         |         |      |         |     |      |         |          |      |         |
| BKC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 4146                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (-1755) |     |       |       |      |         |            |      |         |        |      |         |         |      |         |         |      |         |     |      |         |          |      |         |
| Marmaton                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 4188                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (-1797) |     |       |       |      |         |            |      |         |        |      |         |         |      |         |         |      |         |     |      |         |          |      |         |

| 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#               | 858'          | Common         | 375          | 2% gel, 3% c.c.            |
| Production                                                                          | 7 7/8"            | 5 1/2"                    | 14#               | 4675'         | SMD            | 70           | 500 gal. mud flush         |
|                                                                                     |                   |                           |                   |               | EA-2           | 100          | w/add. 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<br>Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record<br><i>(Amount and Kind of Material Used)</i> | Depth |
|----------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------|
| 4              | 4446-4450                                                                                 | Acidized with 150 gals. 20% MCA, 3% m.s.                                                 |       |
|                |                                                                                           | Acidized with 250 gals. 20% MCA, 3% m.s.                                                 |       |
|                |                                                                                           |                                                                                          |       |
|                |                                                                                           |                                                                                          |       |

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|                                                                          |                                   |                                                                                                                                                                                    |                                                            |
|--------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| TUBING RECORD: Size: <u>2 7/8"</u> Set At: <u>4651'</u> Packer At: _____ |                                   | Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                     |                                                            |
| Date of First, Resumed Production, SWD or ENHR.<br><u>8/16/11</u>        |                                   | Producing Method:<br><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.<br><u>22%</u> <u>31</u> | Gas Mcf                                                                                                                                                                            | Water Bbls. Gas-Oil Ratio Gravity<br><u>78%</u> <u>108</u> |

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

**LOGS**

|              |      |         |
|--------------|------|---------|
| Pawnee       | 4255 | (-1864) |
| Ft. Scott    | 4329 | (-1938) |
| Cherokee     | 4355 | (-1964) |
| Miss.        | 4424 | (-2033) |
| Miss. Dolo.  | 4440 | (-2049) |
| Gilmore City | 4623 | (-2232) |
| LTD          | 4679 | (-2288) |

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PO BOX 31 Russell, KS 67665

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JUN 18 2011

# INVOICE

Invoice Number: 127537

Invoice Date: Jun 8, 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         | Felzien #1                  | Net 30 Days   |          |
| Job Location | Camp Location               | Service Date  | Due Date |
| KS1-01       | Great Bend                  | Jun 8, 2011   | 7/8/11   |

| Quantity | Item        | Description                       | Unit Price | Amount   |
|----------|-------------|-----------------------------------|------------|----------|
| 375.00   | MAT         | Class A Common                    | 16.25      | 6,093.75 |
| 7.00     | MAT         | Gel                               | 21.25      | 148.75   |
| 13.00    | MAT         | Chloride                          | 58.20      | 756.60   |
| 395.00   | SER         | Handling                          | 2.25       | 888.75   |
| 60.00    | SER         | Mileage 395 sx @.11 per sk per mi | 43.45      | 2,607.00 |
| 1.00     | SER         | Surface                           | 1,125.00   | 1,125.00 |
| 558.00   | SER         | Extra Footage                     | 0.95       | 530.10   |
| 120.00   | SER         | Pump Truck Mileage                | 7.00       | 840.00   |
| 120.00   | SER         | Light Vehicle Mileage             | 4.00       | 480.00   |
| 1.00     | EQP         | 8.5/8 Rubber Plug                 | 112.00     | 112.00   |
| 1.00     | CEMENTER    | Wayne Davis                       |            |          |
| 1.00     | CEMENTER    | Bobby Roller                      |            |          |
| 1.00     | OPER ASSIST | Greg Redetzke                     |            |          |
| 1.00     | OPER ASSIST | Trint 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

\$ 2716.39

ONLY IF PAID ON OR BEFORE

Jul 3, 2011

|                        |                  |
|------------------------|------------------|
| Subtotal               | 13,581.95        |
| Sales Tax              | 448.00           |
| Total Invoice Amount   | 14,029.95        |
| Payment/Credit Applied |                  |
| <b>TOTAL</b>           | <b>14,029.95</b> |

# ALLIED CEMENTING CO., LLC. 038818

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

SERVICE POINT:  
Great Bend

|                                                          |                 |                                       |                  |            |                    |                           |                            |
|----------------------------------------------------------|-----------------|---------------------------------------|------------------|------------|--------------------|---------------------------|----------------------------|
| DATE <u>6-8-11</u>                                       | SEC. <u>35</u>  | TWP. <u>19S</u>                       | RANGE <u>25W</u> | CALLED OUT | ON LOCATION        | JOB START <u>11:30 pm</u> | JOB FINISH <u>12:30 am</u> |
| LEASE <u>Felzien</u>                                     | WELL # <u>1</u> | LOCATION <u>Ness city west TO 5RD</u> |                  |            | COUNTY <u>Ness</u> | STATE <u>KS</u>           |                            |
| OLD OR <input checked="" type="radio"/> NEW (Circle one) |                 | 6 South 1 East 1/2 South west         |                  |            |                    |                           |                            |

CONTRACTOR W-W Drilling Rig OWNER Palomino Petroleum

TYPE OF JOB: Surface

HOLE SIZE 12 1/2 TD: 859 CEMENT

CASING SIZE 8 3/4 DEPTH 858 AMOUNT ORDERED 375 class A

TUBING SIZE 7 1/2 DEPTH 858 3% cc + 2% Gel

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX. MINIMUM COMMON 375 @ 16.25 6.093.25

MEAS. LINE SHOE JOINT POZMIX @

CEMENT LEFT IN CSG: 20 GEL 7 @ 21.25 148.75

PERFS. CHLORIDE 13 @ 58.20 756.60

DISPLACEMENT 53.35 BBLs ASC @

**EQUIPMENT**

PUMP TRUCK # 366 GEMENTER Wayne - Bobby  
HELPER Greg

BULK TRUCK # 344-170 DRIVER Trent

BULK TRUCK # DRIVER

HANDLING 395 @ 2.25 888.75  
MILEAGE 395 x 60 x .11 2.607.00

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**REMARKS:**

Pipe on Bottom Break  
circulation with Rig mud  
Run 10 BBLs water ahead  
Mix 375 class A + 3% cc + 2% gel  
Switch Down Release Plus  
Displace 53.35 BBLs fresh water  
Cement did circulate shut in  
Rig Down

DEPTH OF JOB 858  
PUMP TRUCK CHARGE 1125.00  
EXTRA FOOTAGE 558 @ .95 530.10  
MILEAGE Trent 120 @ 7.00 840.00  
MANIFOLD High Track 120 @ 4.00 480.00

CHARGE TO: Palomino Petroleum

STREET

CITY STATE ZIP

TOTAL 10,994.25

TOTAL 2,975.10

**PLUG & FLOAT EQUIPMENT**

Rubber Plug @ 12.00 144.00

To Allied Cementing Co., LLC!

You are hereby requested to rent cementing equipment and furnish cement 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

PRINTED NAME Mark Bigge

DISCOUNT

SIGNATURE Mark Bigge

IF PAID IN 30 DAYS

# SWIFT



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



## Invoice

|          |           |
|----------|-----------|
| DATE     | INVOICE # |
| 7/6/2011 | 20879     |

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

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JUL 08 2011

- Acidizing
- Cement
- Tool Rental

| TERMS                               | Well No.              | Lease   | County | Contractor         | Well Type | Well Category | Job Purpose       | Operator   |
|-------------------------------------|-----------------------|---------|--------|--------------------|-----------|---------------|-------------------|------------|
| Net 30                              | #1                    | Felzien | Ness   | DS&W Well Servi... | Oil       | Development   | Acidize Formation | Wayne      |
| PRICE REF.                          | DESCRIPTION           |         |        |                    | QTY       | UM            | UNIT PRICE        | AMOUNT     |
| 500D                                | Mileage - 1 Way       |         |        |                    | 20        | Miles         | 5.00              | 100.00     |
| 501D                                | Acid Pump Charge      |         |        |                    | 1         | Job           | 600.00            | 600.00     |
| 303 - 20%                           | MCA Acid              |         |        |                    | 250       | Gallons       | 2.25              | 562.50     |
| 221                                 | Liquid KCL (Clayfix)  |         |        |                    | 2         | Gallon(s)     | 25.00             | 50.00      |
| 232                                 | Musal ESA-64          |         |        |                    | 8         | Gallon(s)     | 16.00             | 128.00     |
| 235                                 | INH.1 ESA-28          |         |        |                    | 1         | Gallon(s)     | 35.00             | 35.00      |
| 249                                 | STR-1 (Pen 88)        |         |        |                    | 1         | Gallon(s)     | 35.00             | 35.00      |
|                                     | Subtotal              |         |        |                    |           |               |                   | 1,510.50   |
|                                     | Sales Tax Ness County |         |        |                    |           |               | 6.30%             | 0.00       |
| <b>We Appreciate Your Business!</b> |                       |         |        |                    |           |               | <b>Total</b>      | \$1,510.50 |

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

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 KCC WICHITA

TICKET  
**20879**  
 PAGE 1 OF 1

|                                                                                                 |                                     |                                           |                              |                                                  |           |                       |                      |
|-------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------|------------------------------|--------------------------------------------------|-----------|-----------------------|----------------------|
| 1. SERVICE LOCATIONS<br><b>NESS CITY, KS</b>                                                    | WELL/PROJECT NO.<br># <b>1</b>      | LEASE<br><b>FELZTEN</b>                   | COUNTY/PARISH<br><b>NESS</b> | STATE<br><b>KS</b>                               | CITY      | DATE<br><b>7-6-11</b> | OWNER<br><b>SAME</b> |
| 2. TICKET TYPE<br><input checked="" type="checkbox"/> SERVICE<br><input type="checkbox"/> SALES | CONTRACTOR<br><b>DS-W</b>           | RIG NAME/NO.                              | SHIPPED VIA<br><b>CT</b>     | DELIVERED TO<br><b>LOCATION</b>                  | ORDER NO. |                       |                      |
| 3. WELL TYPE<br><b>Oil</b>                                                                      | WELL CATEGORY<br><b>DEVELOPMENT</b> | JOB PURPOSE<br><b>ACIDIZING FORMATION</b> | WELL PERMIT NO.              | WELL LOCATION<br><b>LADEN K-12W, b5, 1E, S.W</b> |           |                       |                      |
| 4. REFERRAL LOCATION                                                                            | INVOICE INSTRUCTIONS                |                                           |                              |                                                  |           |                       |                      |

| PRICE REFERENCE | SECONDARY REFERENCE/<br>PART NUMBER | ACCOUNTING |      |    | DESCRIPTION   | QTY. |     | UNIT PRICE |     | AMOUNT |
|-----------------|-------------------------------------|------------|------|----|---------------|------|-----|------------|-----|--------|
|                 |                                     | LOC        | ACCT | DF |               | QTY. | UM  | QTY.       | UM  |        |
| 500             |                                     | 1          |      |    | MILEAGE # 110 | 20   | ME  | 5.00       |     | 100.00 |
| 501             |                                     | 1          |      |    | PUMP CHARGE   | 1    | POB | 600.00     |     | 600.00 |
| 303             |                                     | 1          |      |    | MCA ACID      | 250  | GA  | 2.25       | 20% | 562.50 |
| 221             |                                     | 1          |      |    | LIGVED KCL    | 2    | GA  | 25.00      |     | 50.00  |
| 232             |                                     | 1          |      |    | MUSAL         | 8    | GA  | 16.00      |     | 128.00 |
| 235             |                                     | 1          |      |    | TWHR-1        | 1    | GA  | 35.00      |     | 35.00  |
| 249             |                                     | 1          |      |    | STR-1         | 1    | GA  | 35.00      |     | 35.00  |

**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 Shreier*  
 DATE SIGNED **7-6-11** TIME SIGNED **1515**  A.M.  P.M.

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

|                                                                          |                                                          |            |           |                       |                |
|--------------------------------------------------------------------------|----------------------------------------------------------|------------|-----------|-----------------------|----------------|
| <b>SURVEY</b>                                                            | AGREE                                                    | UN-DECIDED | DIS-AGREE | <b>PAGE TOTAL</b>     | <b>1510.50</b> |
| OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?                               |                                                          |            |           |                       |                |
| WE UNDERSTOOD AND MET YOUR NEEDS?                                        |                                                          |            |           |                       |                |
| OUR SERVICE WAS PERFORMED WITHOUT DELAY?                                 |                                                          |            |           |                       |                |
| WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY? |                                                          |            |           | <b>7.55 TAX 16.3%</b> |                |
| ARE YOU SATISFIED WITH OUR SERVICE?                                      | <input type="checkbox"/> YES <input type="checkbox"/> NO |            |           |                       |                |
| <input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND                |                                                          |            |           | <b>TOTAL</b>          | <b>1510.50</b> |

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

SWIFT OPERATOR *Wayne Wilson* APPROVAL

**Thank You!**

**JOB LOG**

**SWIFT Services, Inc.**

DATE 7-6-11 PAGE NO.

CUSTOMER **PAIDMIND PETROLEUM** WELL NO. **#1** LEASE **FELZIEEN** JOB TYPE **ACIDIZE FORMATION** TICKET NO. **20879**

| CHART NO. | TIME | RATE (BPM) | VOLUME (BBL) (GAL) | PUMPS |   | PRESSURE (PSI) |        | DESCRIPTION OF OPERATION AND MATERIALS |
|-----------|------|------------|--------------------|-------|---|----------------|--------|----------------------------------------|
|           |      |            |                    | T     | C | TUBING         | CASING |                                        |
|           | 1515 |            |                    |       |   |                |        | ON LOCATED                             |
|           |      |            |                    |       |   |                |        | 5 1/2 - 14"                            |
|           |      |            |                    |       |   |                |        | PERFS = 4446 - 4450                    |
|           | 1535 | 4 1/2      | 6                  |       | ✓ |                | 0      | PUMP 250 ACID                          |
|           | 1537 | 4 1/2      | 24                 |       | ✓ |                | 0      | PUMP 18 BBL KCL - FLUSH                |
|           |      | 6          |                    |       | ✓ |                | 0      | LOAD HOLE                              |
|           | 1554 |            | 106 1/2            |       | ✓ |                | 0      | LOADED (2 BBLS EARLY)                  |
|           | 1555 | 1/3        | 108 3/4            |       | ✓ |                | VAC    |                                        |
|           | 1602 | 1/2        | 0                  |       | ✓ |                | 150    | ACID & PERFS TREAT FORMATION           |
|           |      | 1/2        | 1                  |       | ✓ |                | 200    | "                                      |
|           |      | 1/2        | 3                  |       | ✓ |                | 200    | "                                      |
|           |      | 1          | 4                  |       | ✓ |                | 300    | "                                      |
|           |      | 1          | 5                  |       | ✓ |                | 400    | "                                      |
|           |      | 1          | 6                  |       | ✓ |                | 500    | ACID CIRC                              |
|           |      | 3/4        | 7                  |       | ✓ |                | 500    | OVERFLUSH                              |
|           | 1612 | 3/4        | 8                  |       | ✓ |                | 500    | " 2 OVER - SHUT DOWN                   |
|           |      |            |                    |       |   |                | 500    | ISD                                    |
|           |      |            |                    |       |   |                | 0      | 3 MIN                                  |
|           |      |            |                    |       |   |                | VAC    | 4 MIN                                  |
|           |      |            |                    |       |   |                |        | LOAD = 117 BBS SWAB TEST               |
|           | 1630 |            |                    |       |   |                |        | JOB COMPLETE                           |

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SEP 12 2011

THANK YOU  
WAVE, JEFF  
KCC WICHITA



# SWIFT



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



## Invoice

|          |           |
|----------|-----------|
| DATE     | INVOICE # |
| 7/5/2011 | 20957     |

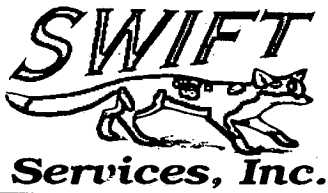
|                                                                          |
|--------------------------------------------------------------------------|
| BILL TO                                                                  |
| Palomino Petroleum Inc.<br>4924 S E 84th Street<br>Newton, KS 67114-8827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

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- Acidizing
- Cement
- Tool Rental

| TERMS                               | Well No.              | Lease   | County | Contractor         | Well Type | Well Category | Job Purpose   | Operator   |
|-------------------------------------|-----------------------|---------|--------|--------------------|-----------|---------------|---------------|------------|
| Net 30                              | #1                    | Felzien | Ness   | DS&W Well Servi... | Oil       | Development   | Acidize Perfs | Blaine     |
| PRICE REF.                          | DESCRIPTION           |         |        |                    | QTY       | UM            | UNIT PRICE    | AMOUNT     |
| 500D                                | Mileage - 1 Way       |         |        |                    | 20        | Miles         | 5.00          | 100.00     |
| 501D                                | Acid Pump Charge      |         |        |                    | 1         | Job           | 600.00        | 600.00     |
| 303 - 20%                           | MCA Acid              |         |        |                    | 150       | Gallons       | 2.25          | 337.50     |
| 232                                 | Musal ESA-64          |         |        |                    | 4.5       | Gallon(s)     | 16.00         | 72.00      |
| 249                                 | STR-1 (Pen 88)        |         |        |                    | 1         | Gallon(s)     | 35.00         | 35.00      |
| 235                                 | INH.1-ESA-28          |         |        |                    | 0.5       | Gallon(s)     | 35.00         | 17.50      |
| 221                                 | Liquid KCL (Clayfix)  |         |        |                    | 2         | Gallon(s)     | 25.00         | 50.00      |
|                                     | Subtotal              |         |        |                    |           |               |               | 1,212.00   |
|                                     | Sales Tax Ness County |         |        |                    |           |               | 6.30%         | 0.00       |
| <b>We Appreciate Your Business!</b> |                       |         |        |                    |           |               | <b>Total</b>  | \$1,212.00 |

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SEP 12 2011  
KCC WICHITA



CHARGE TO: Palomino  
 ADDRESS:  
 CITY, STATE, ZIP CODE:

RECEIVED  
 SEP 12 2011  
 SSC WICHITA

TICKET  
20957

PAGE 1 OF 1

|                                                                                                 |                                     |                                    |                              |                                    |                          |                         |       |
|-------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------|------------------------------|------------------------------------|--------------------------|-------------------------|-------|
| 1. SERVICE LOCATIONS<br><u>Ness City KS</u>                                                     | WELL/PROJECT NO.<br><u>#1</u>       | LEASE<br><u>Felzien</u>            | COUNTY/PARISH<br><u>ness</u> | STATE<br><u>KS</u>                 | CITY<br><u>Ness City</u> | DATE<br><u>5 Oct 11</u> | OWNER |
| 2. TICKET TYPE<br><input checked="" type="checkbox"/> SERVICE<br><input type="checkbox"/> SALES | CONTRACTOR<br><u>ASIN</u>           | RIG NAME/NO.                       | SHIPPED VIA<br><u>ET</u>     | DELIVERED TO<br><u>location</u>    | ORDER NO.                |                         |       |
| 3. WELL TYPE<br><u>oil</u>                                                                      | WELL CATEGORY<br><u>Development</u> | JOB PURPOSE<br><u>acquire pads</u> | WELL PERMIT NO.              | WELL LOCATION<br><u>35-195-25W</u> |                          |                         |       |
| 4. REFERRAL LOCATION                                                                            | INVOICE INSTRUCTIONS                |                                    |                              |                                    |                          |                         |       |

| PRICE REFERENCE | SECONDARY REFERENCE/<br>PART NUMBER | ACCOUNTING |      |    | DESCRIPTION            | QTY. |  | U/M |           | UNIT PRICE | AMOUNT |
|-----------------|-------------------------------------|------------|------|----|------------------------|------|--|-----|-----------|------------|--------|
|                 |                                     | LOC        | ACCT | DF |                        |      |  |     |           |            |        |
| 500             |                                     | 1          |      |    | MILEAGE <u>TRK 114</u> | 20   |  | mi  |           | 5.00       | 100.00 |
| 501             |                                     | 1          |      |    | <u>Pay Charge</u>      | 1    |  | ea  |           | 600.00     | 600.00 |
| 303             |                                     | 1          |      |    | <u>MCA acid</u>        | 20   |  | %   | 150 gal   | 2.25       | 337.50 |
| 232             |                                     | 1          |      |    | <u>MUSOL</u>           |      |  |     | 4 1/2 gal | 16.00      | 72.00  |
| 249             |                                     | 1          |      |    | <u>STR-1</u>           |      |  |     | 7 gal     | 35.00      | 35.00  |
| 235             |                                     | 1          |      |    | <u>Inhib-1</u>         |      |  |     | 1/2 gal   | 35.00      | 17.50  |
| 221             |                                     | 1          |      |    | <u>KCL liquid</u>      | 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  
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 | 12   2   00 |
| OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?                               |                                                          |            |           |            |             |
| WE UNDERSTOOD AND MET YOUR NEEDS?                                        |                                                          |            |           |            |             |
| OUR SERVICE WAS PERFORMED WITHOUT DELAY?                                 |                                                          |            |           |            |             |
| WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY? |                                                          |            |           |            |             |
| ARE YOU SATISFIED WITH OUR SERVICE?                                      | <input type="checkbox"/> YES <input type="checkbox"/> NO |            |           |            |             |
| <input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND                |                                                          |            |           | TOTAL      | 12   2   00 |

ness  
TAX  
6.3%

**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 5/11/11 PAGE NO. 8

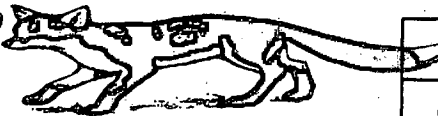
CUSTOMER ~~Palermo~~ *Palermo* WELL NO. #1 LEASE Felzien JOB TYPE acidize perfs TICKET NO. 20957

| CHART NO. | TIME | RATE (BPM) | VOLUME (BBL) (GAL) | PUMPS |   | PRESSURE (PSI) |        | DESCRIPTION OF OPERATION AND MATERIALS                                          |
|-----------|------|------------|--------------------|-------|---|----------------|--------|---------------------------------------------------------------------------------|
|           |      |            |                    | T     | C | TUBING         | CASING |                                                                                 |
|           |      |            |                    |       |   |                |        | 150 gal 20% MCA w/ 3% musol<br>5 1/2 15.5" casing 18 bbl KCL<br>4446-4450 perfs |
|           | 1100 |            |                    |       |   |                |        | on loc TRK 114                                                                  |
|           | 1105 | 6          |                    |       |   |                |        | 0 pump down hole (4 bbl acid)                                                   |
|           | 1120 | 1/2        | 100                |       |   |                |        | ∅ slow to an idle                                                               |
|           | 1125 |            | 105                |       |   |                |        | ∅ no load                                                                       |
|           |      |            | 109                |       |   |                |        | ∅ on vacuum - casing flushed                                                    |
|           |      |            |                    |       |   |                |        | pack up                                                                         |
|           | 1150 |            |                    |       |   |                |        | job complete                                                                    |
|           |      |            |                    |       |   |                |        | Thanks<br>Blair & Assoc                                                         |

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KCC WICHITA



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



# Invoice

|           |           |
|-----------|-----------|
| DATE      | INVOICE # |
| 6/15/2011 | 20837     |

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

RECEIVED  
 JUN 17 2011

- Acidizing
- Cement
- Tool Rental

| TERMS                               | Well No.                                 | Lease   | County | Contractor  | Well Type | Well Category | Job Purpose        | Operator          |
|-------------------------------------|------------------------------------------|---------|--------|-------------|-----------|---------------|--------------------|-------------------|
| Net 30                              | #1                                       | Felzein | Ness   | WW Drilling | Oil       | Development   | Cement LongStri... | Blaine            |
| PRICE REF.                          | DESCRIPTION                              |         |        |             | QTY       | UM            | UNIT PRICE         | AMOUNT            |
| 575D                                | Mileage - 1 Way                          |         |        |             | 20        | Miles         | 5.00               | 100.00            |
| 578D-L                              | Pump Charge - Long String                |         |        |             | 1         | Job           | 1,400.00           | 1,400.00          |
| 402-5                               | 5 1/2" Centralizer                       |         |        |             | 11        | Each          | 65.00              | 715.00T           |
| 403-5                               | 5 1/2" Cement Basket                     |         |        |             | 2         | Each          | 230.00             | 460.00T           |
| 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          | 300.00             | 300.00T           |
| 419-5                               | 5 1/2" Rotating Head Rental              |         |        |             | 1         | Each          | 150.00             | 150.00T           |
| 290                                 | D-Air                                    |         |        |             | 2         | Gallon(s)     | 35.00              | 70.00T            |
| 281                                 | Mud Flush                                |         |        |             | 500       | Gallon(s)     | 1.00               | 500.00T           |
| 221                                 | Liquid KCL (Clayfix)                     |         |        |             | 2         | Gallon(s)     | 25.00              | 50.00T            |
| 330                                 | Swift Multi-Density Standard (MIDCON II) |         |        |             | 100       | Sacks         | 15.00              | 1,500.00T         |
| 325                                 | Standard Cement                          |         |        |             | 100       | Sacks         | 12.00              | 1,200.00T         |
| 284                                 | Calseal                                  |         |        |             | 5         | Sack(s)       | 30.00              | 150.00T           |
| 283                                 | Salt                                     |         |        |             | 500       | Lb(s)         | 0.15               | 75.00T            |
| 285                                 | CFR-1                                    |         |        |             | 50        | Lb(s)         | 4.00               | 200.00T           |
| 276                                 | Flocele                                  |         |        |             | 50        | Lb(s)         | 1.50               | 75.00T            |
| 581D                                | Service Charge Cement                    |         |        |             | 200       | Sacks         | 1.50               | 300.00            |
| 582D                                | Minimum Drayage Charge                   |         |        |             | 1         | Each          | 250.00             | 250.00            |
| Subtotal                            |                                          |         |        |             |           |               |                    | 7,720.00          |
| Sales Tax Ness County               |                                          |         |        |             |           |               | 6.30%              | 357.21            |
| <b>We Appreciate Your Business!</b> |                                          |         |        |             |           | <b>Total</b>  |                    | <b>\$8,077.21</b> |

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 SEP 12 2011  
 KCC WICHITA



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

RECEIVED  
 SEP 12 2011  
 MCC WICHITA

TICKET  
 20837

PAGE 1 OF 2

SERVICE LOCATIONS:  
 1. Ness City, KS WELL/PROJECT NO. #1 LEASE Felzin COUNTY/PARISH Ness STATE KS CITY Laird DATE 15 April OWNER  
 2. TICKET TYPE  SERVICE  SALES CONTRACTOR ww RIG NAME/NO. SHIPPED VIA CT DELIVERED TO location ORDER NO.  
 3. WELL TYPE oil WELL CATEGORY Development JOB PURPOSE cement long string WELL PERMIT NO. WELL LOCATION  
 4. REFERRAL LOCATION INVOICE INSTRUCTIONS

| PRICE REFERENCE | SECONDARY REFERENCE/<br>PART NUMBER | ACCOUNTING |      |    | DESCRIPTION              | QTY.  |     | U/M |    | UNIT PRICE | AMOUNT  |
|-----------------|-------------------------------------|------------|------|----|--------------------------|-------|-----|-----|----|------------|---------|
|                 |                                     | LOC        | ACCT | DF |                          |       |     |     |    |            |         |
| 575             |                                     | 1          |      |    | MILEAGE                  | 20    | mi  |     |    | 5.00       | 100.00  |
| 578             |                                     | 1          |      |    | Pump Charge              | 1     | ea  |     |    | 1400.00    | 1400.00 |
| 402             |                                     | 1          |      |    | Centralizers             | 5 1/2 | in  | 11  | ea | 65.00      | 715.00  |
| 403             |                                     | 1          |      |    | Cement Bracket           | 5 1/2 | in  | 2   | ea | 230.00     | 460.00  |
| 406             |                                     | 1          |      |    | Catch drum plug & baffle | 5 1/2 | in  | 1   | ea | 225.00     | 225.00  |
| 407             |                                     | 1          |      |    | insert float shoe        | 5 1/2 | in  | 1   | ea | 300.00     | 300.00  |
| 419             |                                     | 1          |      |    | Rotating head rental     | 5 1/2 | in  | 1   | ea |            | 150.00  |
| 290             |                                     | 1          |      |    | D-AIR                    | 2     | gal |     |    | 35.00      | 70.00   |
| 281             |                                     | 1          |      |    | mud flush                | 50    | gal |     |    | 1.00       | 50.00   |
| 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

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 |               | AMOUNT  |
|-------------------------------------------------------------------------------------------------|-------|------------|-----------|---------------|---------|
| OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?                                                      |       |            |           | PAGE TOTAL 1  | 397.00  |
| WE UNDERSTOOD AND MET YOUR NEEDS?                                                               |       |            |           | 2             | 3750.00 |
| OUR SERVICE WAS PERFORMED WITHOUT DELAY?                                                        |       |            |           | subtotal      | 7720.00 |
| WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?                        |       |            |           | Ness TAX 6.3% | 357.21  |
| ARE YOU SATISFIED WITH OUR SERVICE?<br><input type="checkbox"/> YES <input type="checkbox"/> NO |       |            |           | TOTAL         | 8077.21 |
| <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: Beall APPROVAL: Pat [Signature]

Thank You!



PO Box 466  
 Ness City, KS 67560  
 Off: 785-798-2300

TICKET CONTINUATION

TICKET No. 20837

CUSTOMER Palamino Petroleum WELL Felzein #1 DATE 15 Juall PAGE 2 OF 2

| PRICE REFERENCE | SECONDARY REFERENCE/<br>PART NUMBER | ACCOUNTING |      |    | TIME | DESCRIPTION           | QTY          |              | QTY |     | UNIT PRICE | AMOUNT  |  |
|-----------------|-------------------------------------|------------|------|----|------|-----------------------|--------------|--------------|-----|-----|------------|---------|--|
|                 |                                     | LOC        | ACCT | DF |      |                       |              | U/M          |     | U/M |            |         |  |
| 330             |                                     | 1          |      |    |      | SMD cement            | 100          | sk           |     |     | 15 00      | 1500 00 |  |
| 325             |                                     | 1          |      |    |      | STD cement (for SA-2) | 100          | sk           |     |     | 12 00      | 1200 00 |  |
| 284             |                                     | 1          |      |    |      | Calseal               | 500          | lb           | 5   | sk  | 30 00      | 150 00  |  |
| 283             |                                     | 1          |      |    |      | Salt                  | 500          | lb           |     |     | 0 15       | 75 00   |  |
| 285             |                                     | 1          |      |    |      | CFR-1                 | 50           | lb           |     |     | 4 00       | 200 00  |  |
| 276             |                                     | 1          |      |    |      | Fluocel               | 50           | lb           |     |     | 1 50       | 75 00   |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |
| 582             |                                     | 1          |      |    |      | Drayage (mir)         |              |              |     |     | 20 00      | 250 00  |  |
| 581             |                                     | 1          |      |    |      | SERVICE CHARGE        |              |              |     |     | 1 50       | 300 00  |  |
|                 |                                     |            |      |    |      | MILEAGE CHARGE        | TOTAL WEIGHT | LOADED MILES |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       | 20426        |              |     |     |            |         |  |
|                 |                                     |            |      |    |      |                       |              |              |     |     |            |         |  |

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 KCC WICHITA

CONTINUATION TOTAL 3750 00

JOB LOG

SWIFT Services, Inc.

DATE 15/01/11 PAGE NO. 1

CUSTOMER Palomares NO WELL NO. #1 LEASE Felzein JOB TYPE cement long string TICKET NO. 15/11/11

| CHART NO. | TIME | RATE (BPM) | VOLUME (BBL) (GAL) | PUMPS |   | PRESSURE (PSI) |        | DESCRIPTION OF OPERATION AND MATERIALS              |
|-----------|------|------------|--------------------|-------|---|----------------|--------|-----------------------------------------------------|
|           |      |            |                    | T     | C | TUBING         | CASING |                                                     |
|           |      |            |                    |       |   |                |        | 100sls SMD w/ 1/4" floccule                         |
|           |      |            |                    |       |   |                |        | 100sls EA-2 4675' - skopt 19.88                     |
|           |      |            |                    |       |   |                |        | 11 joints 5 1/2" 14# casing                         |
|           |      |            |                    |       |   |                |        | Cent 3, 5, 6, 7, 8, 9, 10, 12                       |
|           |      |            |                    |       |   |                |        | Best 6, 9                                           |
|           | 0415 |            |                    |       |   |                |        | on loc TRK 1/11                                     |
|           | 0540 |            |                    |       |   |                |        | start 5 1/2" 14# casing in well                     |
|           | 0745 |            |                    |       |   |                |        | Drop ball - circulate ROTATE                        |
|           | 0845 |            |                    |       |   | 1400           |        | hook up truck - 1400psi pressure drop to 400        |
|           | 0900 | 43         |                    |       |   | 200            |        | Pump 500gal mud flush                               |
|           |      |            |                    |       |   |                |        | Pump 20 bbl KCL fluid                               |
|           | 0905 |            | 7                  |       |   |                |        | Plug RH - <del>###</del> 30sls - <del>200</del>     |
|           | 0910 | 43         | 26                 |       |   | 200            |        | 1300 mix 70 sls SMD @ 15.2 ppg                      |
|           | 0910 | 43         | 24                 |       |   | 200            |        | mix 100sl EA-2 @ 15.2 ppg                           |
|           |      |            |                    |       |   |                |        | Drop plug                                           |
|           |      |            |                    |       |   |                |        | wash out pump & lines                               |
|           | 0930 | 63         |                    |       |   | 200            |        | Displace plug                                       |
|           |      | 634        | 95                 |       |   | 1100           |        |                                                     |
|           | 0945 | 63         | 113                |       |   | 1500           |        | Land plug                                           |
|           |      |            |                    |       |   |                |        | <del>wash up to</del> release pump to truck - dived |
|           |      |            |                    |       |   |                |        | wash up truck                                       |
|           |      |            |                    |       |   |                |        | Back up                                             |
|           | 1020 |            |                    |       |   |                |        | job complete                                        |
|           |      |            |                    |       |   |                |        | Blair Dave Doe                                      |

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KCC WICHITA

Company **Palomino Petroleum, Inc.**  
 Address **4924 SE 84th St.**  
 City **Newton, KS 67114**  
 Contact **Nick Gerstner**

Lease Name **Felzien**  
 Lease # **1**  
 Legal Desc **NW-SW-SE-NE**  
 Section **35**  
 Township **19S**  
 County **Ness**  
 Drilling Cont **WW Drilling, LLC Rig #6**

Job Ticket **2155**  
 Range **25W**  
 State **KS**

Comments

**GENERAL INFORMATION**

Test # **1** Test Date **6/13/2011**  
 Tester **Tim Venters**  
 Test Type **Conventional Bottom Hole**  
 Status **Successful Test**  
 No. of Packers **2.0** Packer Size **6 3/4**

Mud Type **Gel Chem**  
 Mud Weight **9.0** Viscosity **55.0**  
 Filtrate **6.4** Chlorides **2800**

Drill Collar Len **124.0**  
 Weight Pipe Len **0**

Formation **Marmaton**  
 Interval Top **4140.0** Bottom **4275.0**  
 Anchor Len Below **135.0** Between **0**  
 Total Depth **4275.0**

Flow Type **Weak 1/4" blow at start of initial flow period, building to 1/2" in about 5 min, where it held the rest of the period. Very weak surface blow throughout final flow period. Times: 30, 30, 30, 30.**

Chokes **3/4** Hole Size **7 7/8**  
 Top Recorder # **W1119**  
 Mid Recorder # **W1022**  
 Bott Recorder # **13310**

Mileage **164** Approved By  
 Standby Time **0**  
 Extra Equipmnt **Jars & Safety joint**  
 Time on Site **9:00 PM**  
 Tool Picked Up **2:25 AM**  
 Tool Layed Dwn **7:45 AM**

Elevation **2386.00** Kelley Bushings **2391.00**

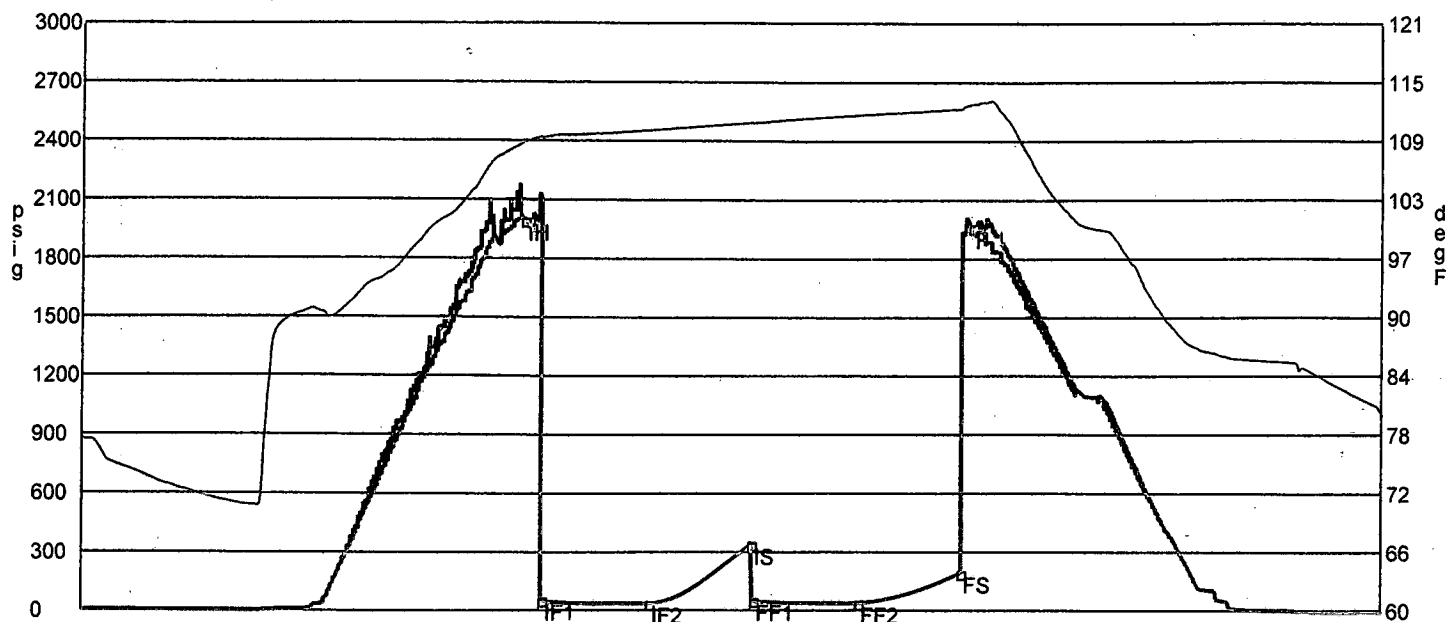
Start Date/Time **6/13/2011 11:34 AM**  
 End Date/Time **6/13/2011 5:46 PM**

**RECOVERY**

| Net Description | Gas |     | Oil |     | Water |     | Mud       |
|-----------------|-----|-----|-----|-----|-------|-----|-----------|
|                 | %   | 0ft | %   | 0ft | %     | 0ft |           |
| 0 Mud           | 0%  | 0ft | 0%  | 0ft | 0%    | 0ft | 100% 10ft |
| 0 ST Fluids     | 0   |     |     |     |       |     |           |

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|     | Date                 | Time     | Pressure | Temp    |                      |
|-----|----------------------|----------|----------|---------|----------------------|
| IH  | 6/13/2011 1:40:00 PM | 2.1      | 1989.15  | 108.643 | Initial Hydro-static |
| IF1 | 6/13/2011 1:45:20 PM | 2.188889 | 47.758   | 109.017 | Initial Flow (1)     |
| IF2 | 6/13/2011 2:16:10 PM | 2.702778 | 31.282   | 109.861 | Initial Flow (2)     |
| IS  | 6/13/2011 2:45:30 PM | 3.191667 | 334.971  | 110.671 | Initial Shut-In      |
| FF1 | 6/13/2011 2:46:10 PM | 3.202778 | 45.944   | 110.647 | Final Flow (1)       |
| FF2 | 6/13/2011 3:16:20 PM | 3.705556 | 32.884   | 111.479 | Final Flow (2)       |
| FS  | 6/13/2011 3:45:40 PM | 4.194444 | 189.771  | 112.122 | Final Shut-In        |
| FH  | 6/13/2011 3:48:40 PM | 4.244444 | 1957.416 | 112.586 | Final Hydro-static   |

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke

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Company **Palomino Petroleum, Inc.**  
 Address **4924 SE 84th St.**  
 CSZ **Newton, KS 67114**  
 Attn. **Nick Gerstner**

Lease Name **Felzien**  
 Lease # **1**  
 Legal Desc **NW-SW-SE-NE** Job Ticket **2155**  
 Section **35** Range **25W**  
 Township **19S**  
 County **Ness** State **KS**  
 Drilling Cont **WW Drilling, LLC Rig #6**

Comments

**GENERAL INFORMATION**

Test # 2 Test Date **6/14/2011**  
 Tester **Tim Venters**  
 Test Type **Conventional Bottom Hole Successful Test**  
 # of Packers **2.0** Packer Size **6 3/4**

Mud Type **Gel Chem**  
 Mud Weight **9.1** Viscosity **62.0**  
 Filtrate **6.4** Chlorides **2200**

Drill Collar Len **124.0**  
 Wght Pipe Len **0**

Formation **Mississippian**  
 Interval Top **4439.0** Bottom **4453.0**  
 Anchor Len Below **14.0** Between **0**  
 Total Depth **4453.0**  
 Blow Type **Weak 1/2" blow at start of initial flow period, building, reaching bottom of bucket in 13 1/2 min. Very weak surface blow back at start of initial shut-in period, lasting about 15-20 min. Weak surface blow at start of final flow period, building, reaching bottom of bucket in 19 min. Weak surface blow back throughout final shut-in period. Oil Gravity: 38. Times: 30, 30, 30, 30.**

Chokes **3/4** Hole Size **7 7/8**  
 Top Recorder # **W1119**  
 Mid Recorder # **W1022**  
 Bott Recorder # **13310**  
 Mileage **32** Approved By  
 Standby Time **0**  
 Extra Equipmnt **Jars & Safety joint**  
 Time on Site **12:15 AM**  
 Tool Picked Up **1:25 AM**  
 Tool Layed Dwn **7:00 AM**  
 Elevation **2386.00** Kelley Bushings **2391.00**

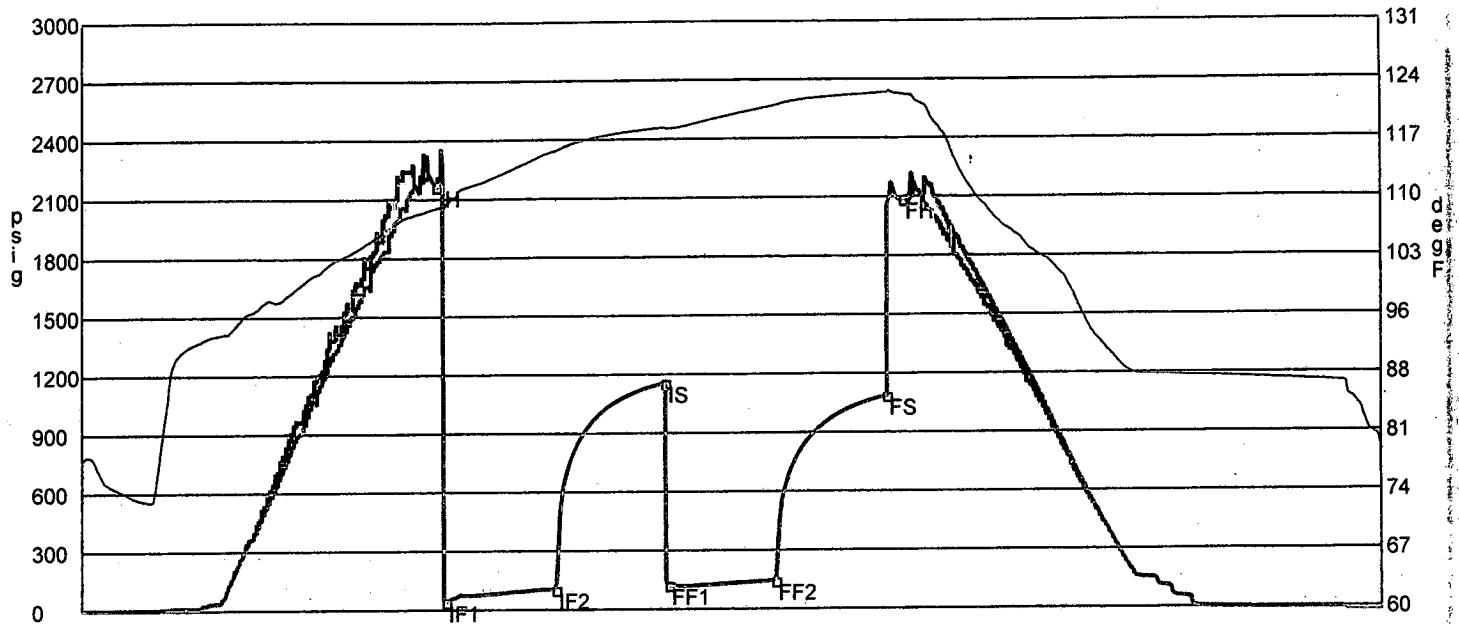
Start Date/Time **6/14/2011 1:09 PM**  
 End Date/Time **6/14/2011 7:01 PM**

**RECOVERY**

| Feet | Description                      | Gas        | Oil         | Water      | Mud        |
|------|----------------------------------|------------|-------------|------------|------------|
| 155  | Gas in Pipe                      | 100% 155ft | 0% 0ft      | 0% 0ft     | 0% 0ft     |
| 185  | Gassy oil                        | 2% 3.7ft   | 98% 181.3ft | 0% 0ft     | 0% 0ft     |
| 35   | Gassy, slight mud cut oil        | 2% 0.7ft   | 95% 33.2ft  | 0% 0ft     | 3% 1ft     |
| 125  | Gassy, slight water, mud cut oil | 11% 13.8ft | 51% 63.8ft  | 11% 13.8ft | 27% 33.8ft |

DST Fluids **10000**

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|     | Date                 | Time     | Pressure | Temp    |                      |
|-----|----------------------|----------|----------|---------|----------------------|
| IH  | 6/14/2011 2:44:10 PM | 1.586111 | 2164.048 | 108.538 | Initial Hydro-static |
| IF1 | 6/14/2011 2:46:30 PM | 1.625    | 40.56    | 108.782 | Initial Flow (1)     |
| IF2 | 6/14/2011 3:16:30 PM | 2.125    | 103.154  | 115.425 | Initial Flow (2)     |
| IS  | 6/14/2011 3:46:20 PM | 2.622222 | 1155.094 | 118.173 | Initial Shut-In      |
| FF1 | 6/14/2011 3:47:20 PM | 2.638889 | 121.631  | 118.067 | Final Flow (1)       |
| FF2 | 6/14/2011 4:16:20 PM | 3.122222 | 143.989  | 120.764 | Final Flow (2)       |
| FS  | 6/14/2011 4:46:30 PM | 3.625    | 1085.035 | 122.274 | Final Shut-In        |
| FH  | 6/14/2011 4:51:00 PM | 3.7      | 2085.358 | 122.078 | Final Hydro-static   |

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke

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