

ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1
June 2009
Form Must Be Typed
Form must be Signed
All blanks must be Filled

OPERATOR: License # 30742
Name: Palomino Petroleum, Inc.
Address 1: 4924 SE 84th St. Newton
Address 2:
City: Newton State: KS Zip: 67114 + 8 8 2 7
Contact Person: Klee R. Watchous
Phone: ( 316 ) 799-1000
CONTRACTOR: License # 34233
Name: Maverick Drilling, L.L.C.
Wellsite Geologist: Nicholas P. Gerstner
Purchaser: None

Designate Type of Completion:

- Checkboxes for completion types: New Well, Re-Entry, Workover, Oil, Gas, OG, CM, Cathodic, etc.

If Workover/Re-entry: Old Well Info as follows:

Operator:
Well Name:
Original Comp. Date: Original Total Depth:
Checkboxes for well history: Deepening, Re-perf., Conv. to ENHR, etc.

Table with 3 columns: Spud Date or Recompletion Date, Date Reached TD, Completion Date or Recompletion Date. Rows for 5/28/11, 6/6/11, 6/6/11.

API No. 15 - 135-25243 - 00 - 00
Spot Description: SE SW NW SW Sec. 35 Twp. 16 S. R. 24
Footages Calculated from Nearest Outside Section Corner:
Producing Formation: None
Elevation: Ground: 2517 Kelly Bushing: 2527
Total Depth: 4578 Plug Back Total Depth:
Amount of Surface Pipe Set and Cemented at: 236 Feet
Multiple Stage Cementing Collar Used? No

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.

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: 8/5/11

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Approved by: Dlg Date: 8/15/11

Operator Name: Palomino Petroleum, Inc. Lease Name: Allen Well #: 1  
 Sec. 35 Twp. 16 S. R. 24  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 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: <b>Dual Induction, Compensated Density/Neutron</b>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Anhy.</td> <td>1838</td> <td>(+ 687)</td> </tr> <tr> <td>Base Anhy.</td> <td>1879</td> <td>(+ 646)</td> </tr> <tr> <td>Heebner</td> <td>3861</td> <td>(-1336)</td> </tr> <tr> <td>Lansing</td> <td>3903</td> <td>(-1378)</td> </tr> <tr> <td>BKC</td> <td>4192</td> <td>(-1667)</td> </tr> <tr> <td>Marmaton</td> <td>4231</td> <td>(-1706)</td> </tr> </table>	Name	Top	Datum	Anhy.	1838	(+ 687)	Base Anhy.	1879	(+ 646)	Heebner	3861	(-1336)	Lansing	3903	(-1378)	BKC	4192	(-1667)	Marmaton	4231	(-1706)
Name	Top	Datum																				
Anhy.	1838	(+ 687)																				
Base Anhy.	1879	(+ 646)																				
Heebner	3861	(-1336)																				
Lansing	3903	(-1378)																				
BKC	4192	(-1667)																				
Marmaton	4231	(-1706)																				

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	150	2% gel, 3% c.c.

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth

TUBING RECORD:	Size:	Set At:	Packer At:	Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR.		Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) _____		
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5) (Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: <div style="text-align: center; border: 1px solid black; padding: 5px; font-weight: bold; font-size: 1.2em;">RECEIVED</div>
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**LOGS**

Pawnee	4314	(-1789)
Ft. Scott	4394	(-1869)
Cherokee	4418	(-1893)
Miss.	4488	(-1963)
LTD	4578	(-2053)

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**QUALITY OILWELL CEMENTING, INC.**  
 PO Box 32 - 740 West Wichita Ave, Russell KS 67665  
 Phone: 785-324-1041 fax: 785-483-1087  
 Email: cementing@ruraltel.net

Date: 6/1/2011  
 Invoice # 4924  
 P.O.#:  
 Due Date: 7/1/2011  
 Division: Russell

# Invoice

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 JUN 03 2011

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

**Reference:**  
 ALLEN 1

**Description of Work:**  
 SURFACE JOB

Services / Items Included:	Quantity	Price	Taxable	Item	Quantity	Price	Taxable
Labor		\$ 991.39	No				
Common-Class A	150	\$ 1,986.86	Yes				
Bulk Truck Matl-Material Service Charge	158	\$ 343.09	No				
Calcium Chloride	5	\$ 204.44	Yes				
Pump Truck Mileage-Job to Nearest Camp	17	\$ 184.20	No				
Bulk Truck Mileage-Job to Nearest Bulk Plant	17	\$ 107.79	No				
Premium Gel (Bentonite)	3	\$ 53.03	Yes				

**Invoice Terms:**

Net 30

SubTotal: \$ 3,870.79  
 Discount Available ONLY if Invoice is Paid & Received  
 within listed terms of invoice: \$ (580.62)

SubTotal for Taxable Items: \$ 1,907.67  
 SubTotal for Non-Taxable Items: \$ 1,382.50

6.30% Ness County Sales Tax

Total: \$ 3,290.17  
 Tax: \$ 120.18

**Thank You For Your Business!**

**Amount Due: \$ 3,410.35**  
**Applied Payments:**  
**Balance Due: \$ 3,410.35**

Past Due Invoices are subject to a service charge (annual rate of 24%)  
 This does not include any applicable taxes unless it is listed.  
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# QUALITY OILWELL CEMENTING, INC.

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

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

No. 4924

Date 5-28-11 Sec. 35 Twp. 16 Range 24 County Ness State Ks On Location \_\_\_\_\_ Finish 12:00 AM

Lease Allen Well No. #1 Location Rainbow, Ks - 1W, 1S, E1s

Contractor Maverick Rig #108 Owner \_\_\_\_\_

Type Job Surface To Quality Oilwell Cementing, Inc.  
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.

Hole Size 12 1/4" T.D. 236' Charge To Palamino Petroleum

Csg. 8 7/8" Depth 236' Street \_\_\_\_\_

Tbg. Size \_\_\_\_\_ Depth \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

Tool \_\_\_\_\_ Depth \_\_\_\_\_

Cement Left in Csg. 15' Shoe Joint 15' The above was done to satisfaction and supervision of owner agent or contractor.

Meas Line \_\_\_\_\_ Displace 14 BLS Cement Amount Ordered 150 sy Common 3% CC

**EQUIPMENT**

Pumptrk 1 No. Cisto Cementer/Helper \_\_\_\_\_ 2% Gel

Bulktrk 8 No. Doung Driver \_\_\_\_\_ Common 150

Bulktrk pu No. Rick Driver \_\_\_\_\_ Poz. Mix. \_\_\_\_\_

**JOB SERVICES & REMARKS**

Remarks: Cement did Circulate Gel. 3

Rat Hole \_\_\_\_\_ Calcium 5

Mouse Hole \_\_\_\_\_ Hulls \_\_\_\_\_

Centralizers \_\_\_\_\_ Salt \_\_\_\_\_

Baskets \_\_\_\_\_ Flowseal \_\_\_\_\_

D/V or Port Collar \_\_\_\_\_ Kol-Seal \_\_\_\_\_

\_\_\_\_\_ Mud CLR 48 \_\_\_\_\_

\_\_\_\_\_ Sand \_\_\_\_\_

\_\_\_\_\_ Handling 158 \_\_\_\_\_

\_\_\_\_\_ Mileage \_\_\_\_\_

**FLOAT EQUIPMENT**

Guide Shoe \_\_\_\_\_

Centralizer \_\_\_\_\_

Baskets \_\_\_\_\_

AFU Inserts \_\_\_\_\_

Float Shoe \_\_\_\_\_

Latch Down \_\_\_\_\_

**Quality Oilwell**

**Cementing**

Pumptrk Charge Surface RECEIVED

Mileage 17 AUG 08 2011

X Signature Orland Curich

Discount  
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Total Charge

Company	<b>Palomino Petroleum, Inc.</b>	Lease Name	<b>Allen</b>	
Address	<b>4924 SE 84th St.</b>	Lease #	<b>1</b>	
CSZ	<b>Newton, KS 67114</b>	Legal Desc	<b>SE-SW-NW-SW</b>	Job Ticket <b>2153</b>
Attn.	<b>Nick Gerstner</b>	Section	<b>35</b>	Range <b>24W</b>
		Township	<b>16S</b>	
		County	<b>Ness</b>	State <b>KS</b>
		Drilling Cont	<b>Maverick Drilling, LLC Rig 108</b>	

Comments    **Field: Ransom South**

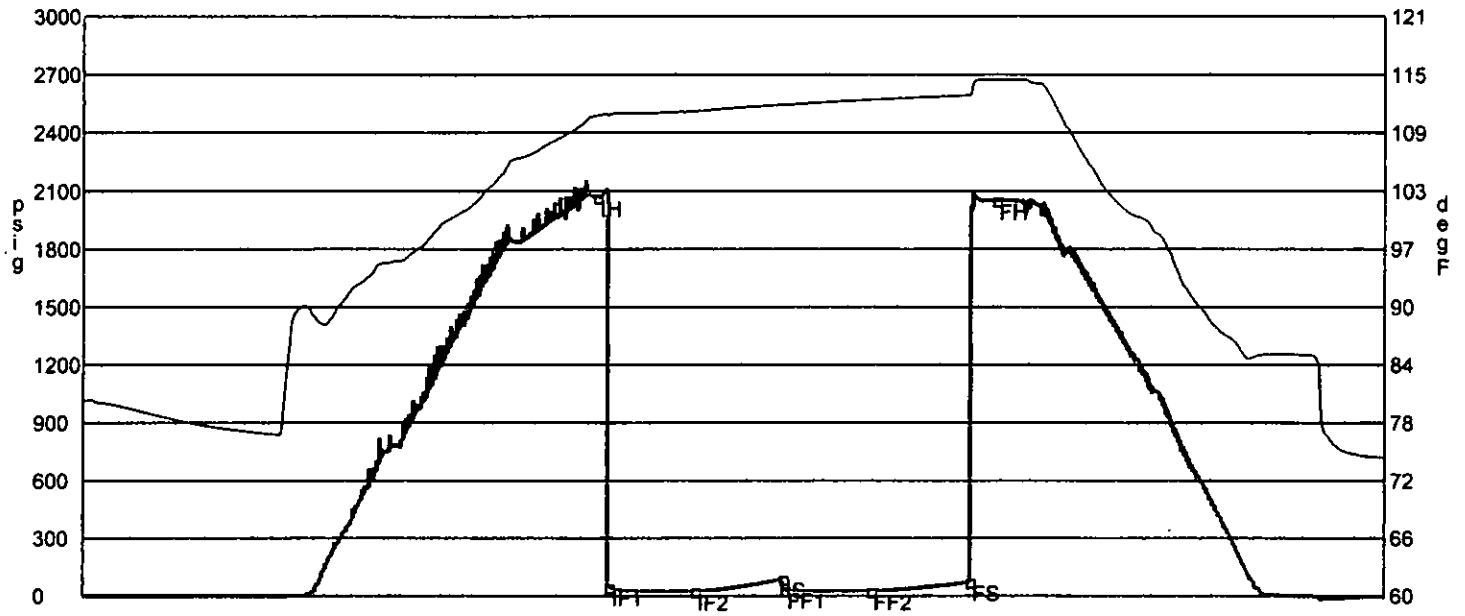
**GENERAL INFORMATION**

Test # 1	Test Date	<b>6/3/2011</b>	Chokes	<b>3/4</b>	Hole Size	<b>7 7/8</b>
Tester	<b>Tim Venters</b>		Top Recorder #	<b>W1119</b>		
Test Type	<b>Conventional Bottom Hole Successful Test</b>		Mid Recorder #	<b>W1022</b>		
			Bott Recorder #	<b>13310</b>		
# of Packers	<b>2.0</b>	Packer Size	<b>6 3/4</b>	Mileage	<b>164</b>	Approved By
				Standby Time	<b>0</b>	
Mud Type	<b>Gel Chem</b>			Extra Equipmnt	<b>Jars &amp; Safety joint</b>	
Mud Weight	<b>9.4</b>	Viscosity	<b>51.0</b>	Time on Site	<b>10:45 PM</b>	
Filtrate	<b>10.4</b>	Chlorides	<b>5300</b>	Tool Picked Up	<b>2:30 AM</b>	
				Tool Layed Dwn	<b>9:35 AM</b>	
Drill Collar Len	<b>0</b>			Elevation	<b>2517.00</b>	Kelley Bushings <b>2526.00</b>
Wght Pipe Len	<b>0</b>					
Formation	<b>Marmaton</b>			Start Date/Time	<b>6/3/2011 2:07 AM</b>	
Interval Top	<b>4174.0</b>	Bottom	<b>4320.0</b>	End Date/Time	<b>6/3/2011 9:34 AM</b>	
Anchor Len Below	<b>146.0</b>	Between	<b>0</b>			
Total Depth	<b>4320.0</b>					
Blow Type	<b>Weak 1/4" blow at start of intitial flow period, building to 1". Weak 1/4" blow at start of final flow period, building to 1". Times: 30, 30, 30, 35.</b>					

**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
20	Slight oil cut mud	0% 0ft	10% 2ft	0% 0ft	90% 18ft
DST Fluids	<b>0</b>				

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	Date	Time	Pressure	Temp	
IH	6/3/2011 5:03:10 AM	2.936111	2068.323	110.594	Initial Hydro-static
IF1	6/3/2011 5:07:20 AM	3.005556	44.87	110.652	Initial Flow (1)
IF2	6/3/2011 5:37:00 AM	3.5	21.763	111.048	Initial Flow (2)
IS	6/3/2011 6:07:20 AM	4.005556	87.966	111.718	Initial Shut-In
FF1	6/3/2011 6:07:50 AM	4.013889	31.528	111.73	Final Flow (1)
FF2	6/3/2011 6:37:40 AM	4.511111	23.55	112.243	Final Flow (2)
FS	6/3/2011 7:11:40 AM	5.077778	71.056	112.729	Final Shut-In
FH	6/3/2011 7:20:30 AM	5.225	2051.31	114.377	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 **Allen**  
 Lease # **1**  
 Legal Desc **SE-SW-NW-SW** Job Ticket **2153**  
 Section **35** Range **24W**  
 Township **16S**  
 County **Ness** State **KS**  
 Drilling Cont **Maverick Drilling, LLC Rig 108**

Comments **Field: Ransom South**

**GENERAL INFORMATION**

Test # **2** Test Date **6/4/2011**  
 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 **9.5** Viscosity **46.0**  
 Filtrate **11.2** Chlorides **5400**

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

Mileage **36** Approved By  
 Standby Time **0**  
 Extra Equipmnt **Jars & Safety joint**  
 Time on Site **7:00 AM**  
 Tool Picked Up **9:05 AM**  
 Tool Layed Dwn **2:40 PM**

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

Elevation **2517.00** Kelley Bushings **2526.00**

Formation **Mississippian**  
 Interval Top **4440.0** Bottom **4506.0**  
 Anchor Len Below **66.0** Between **0**  
 Total Depth **4506.0**

Start Date/Time **6/4/2011 8:24 AM**  
 End Date/Time **6/4/2011 2:41 PM**

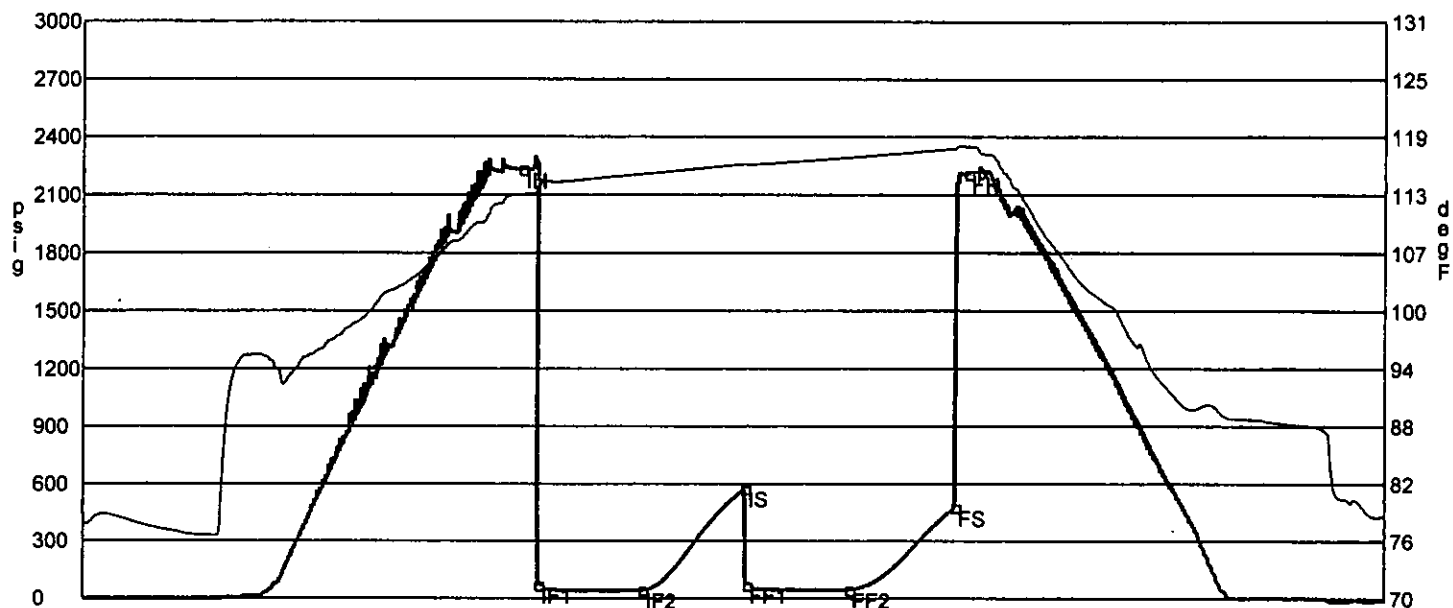
Blow Type **Weak 1/4" blow at start of initial flow period, building to 1/2". No blow for the first 3 min. of final flow period, where we got a very weak surface blow that lasted the rest of the period. Times: 30, 30, 30, 30.**

**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
30	Slight oil cut mud	0% 0ft	10% 3ft	0% 0ft	90% 27ft
DST Fluids <b>0</b>					

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	Date	Time	Pressure	Temp	
IH	6/4/2011 10:30:30 AM	2.108333	2234.084	112.785	Initial Hydro-static
IF1	6/4/2011 10:35:20 AM	2.188889	72.32	113.463	Initial Flow (1)
IF2	6/4/2011 11:05:40 AM	2.694444	43.504	114.913	Initial Flow (2)
IS	6/4/2011 11:35:20 AM	3.188889	576.079	115.965	Initial Shut-In
FF1	6/4/2011 11:35:50 AM	3.197222	71.6	115.923	Final Flow (1)
FF2	6/4/2011 12:05:40 PM	3.694444	46.547	116.674	Final Flow (2)
FS	6/4/2011 12:36:20 PM	4.205556	475.215	117.607	Final Shut-In
FH	6/4/2011 12:39:50 PM	4.263889	2211.316	117.835	Final Hydro-static

**GAS FLOWS**

Min Into IFP    Min Into FFP    Gas Flows    Pressure    Choke

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Company	<b>Palomino Petroleum, Inc.</b>	Lease Name	<b>Allen</b>	
Address	<b>4924 SE 84th St.</b>	Lease #	<b>1</b>	
CSZ	<b>Newton, KS 67114</b>	Legal Desc	<b>SE-SW-NW-SW</b>	Job Ticket <b>2153</b>
Attn.	<b>Nick Gerstner</b>	Section	<b>35</b>	Range <b>24W</b>
		Township	<b>16S</b>	
		County	<b>Ness</b>	State <b>KS</b>
		Drilling Cont	<b>Maverick Drilling, LLC Rig 108</b>	
Comments	<b>Field: Ransom South</b>			

**GENERAL INFORMATION**

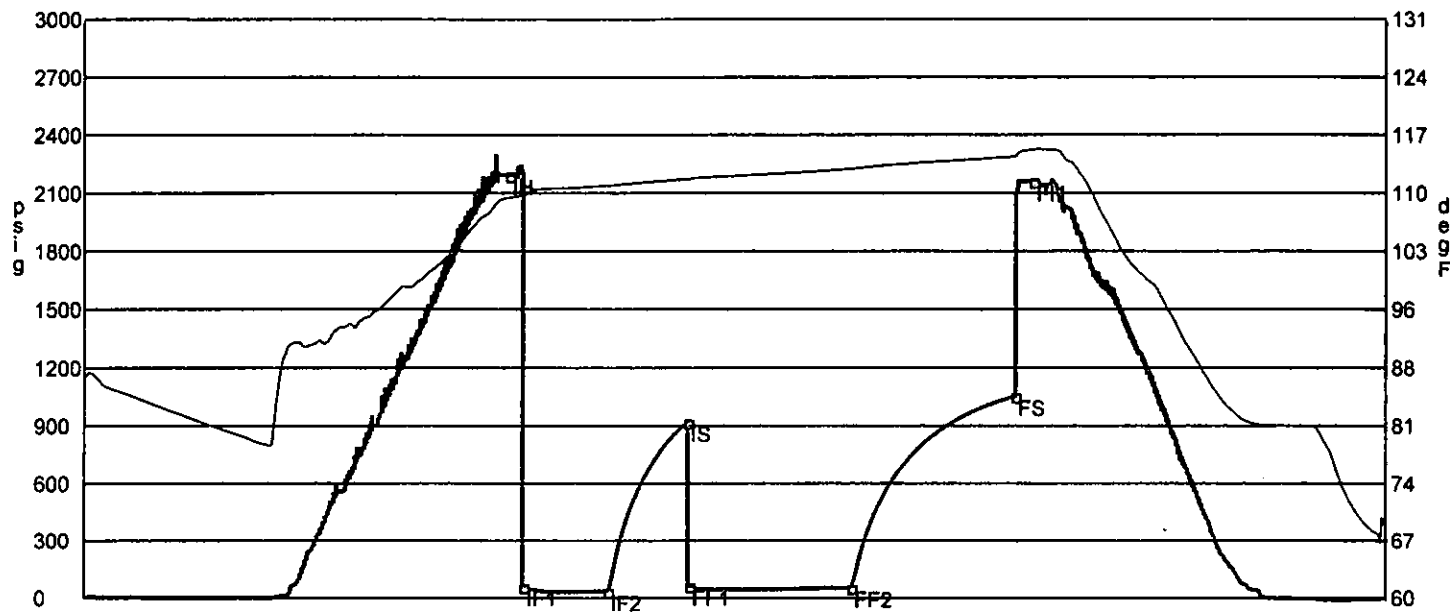
Test # <b>3</b>	Test Date <b>6/5/2011</b>	Chokes <b>3/4</b>	Hole Size <b>7 7/8</b>
Tester <b>Tim Venters</b>		Top Recorder # <b>W1119</b>	
Test Type <b>Conventional Bottom Hole</b>		Mid Recorder # <b>W1022</b>	
		Bott Recorder # <b>13310</b>	
# of Packers <b>2.0</b>	Packer Size <b>6 3/4</b>	Mileage <b>36</b>	Approved By
Mud Type <b>Gel Chem</b>		Standby Time <b>0</b>	
Mud Weight <b>9.5</b>	Viscosity <b>46.0</b>	Extra Equipmnt <b>Jars &amp; Safety joint</b>	
Filtrate <b>11.2</b>	Chlorides <b>5400</b>	Time on Site <b>9:00 PM</b>	
Drill Collar Len <b>0</b>		Tool Picked Up <b>11:35 PM</b>	
Wght Pipe Len <b>0</b>		Tool Layed Dwn <b>6:15 AM</b>	
Formation <b>Mississippian</b>		Elevation <b>2517.00</b>	Kelley Bushings <b>2526.00</b>
Interval Top <b>4440.0</b>	Bottom <b>4519.0</b>	Start Date/Time <b>6/4/2011 10:26 PM</b>	
Anchor Len Below <b>79.0</b>	Between <b>0</b>	End Date/Time <b>6/5/2011 6:22 AM</b>	
Total Depth <b>4519.0</b>			
Blow Type <b>Weak 1/4" blow at start of initial flow period, building to 2 1/2". Very weak surface blow at start of final flow period, building to 2".</b>			
	<b>Times: 30, 30, 60, 60. Oil Gravity: 36.</b>		

**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
1	Clean oil	0% 0ft	100% 1ft	0% 0ft	0% 0ft
10	Heavy mud cut oil	0% 0ft	53% 5.3ft	0% 0ft	47% 4.7ft
60	Very slight oil cut mud	0% 0ft	2% 1.2ft	0% 0ft	98% 58.8ft

DST Fluids **0**

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	Date	Time	Pressure	Temp	
IH	6/5/2011 1:00:40 AM	2.577778	2188.138	109.094	Initial Hydro-static
IF1	6/5/2011 1:06:10 AM	2.669444	56.317	109.331	Initial Flow (1)
IF2	6/5/2011 1:37:10 AM	3.186111	32.325	110.552	Initial Flow (2)
IS	6/5/2011 2:06:20 AM	3.672222	916.061	111.359	Initial Shut-In
FF1	6/5/2011 2:07:00 AM	3.683333	59.677	111.345	Final Flow (1)
FF2	6/5/2011 3:06:20 AM	4.672222	50.239	112.621	Final Flow (2)
FS	6/5/2011 4:06:10 AM	5.669444	1050.193	114.111	Final Shut-In
FH	6/5/2011 4:12:40 AM	5.777778	2157.422	114.964	Final Hydro-static

**GAS FLOWS**

Min Into IFP    Min Into FFP    Gas Flows    Pressure    Choke

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