

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION**

Form ACO-1

June 2009

Form Must Be Typed

Form must be Signed

All blanks must be Filled

**WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

OPERATOR: License # 30742

Name: Palomino Petroleum, Inc.

Address 1: 4924 SE 84th St. Newton

Address 2: \_\_\_\_\_

City: Newton State: KS Zip: 67114 + 8 8 2 7

Contact Person: Klee R. Watchous

Phone: (316) 799-1000

CONTRACTOR: License # 5123

Name: Pickrell Drilling Co., Inc.

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>8/12/11</u>	<u>8/19/11</u>	<u>8/19/11</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 083-21720 • 00 • 00

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

NW SW NE NE Sec. 19 Twp. 21 S. R. 24  East  West

845 Feet from  North /  South Line of Section

1,045 Feet from  East /  West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE       NW       SE       SW

County: Hodgeman

Lease Name: Schroeder Well #: 1

Field Name: None (Wildcat)

Producing Formation: Mississippian

Elevation: Ground: 2346 Kelly Bushing: 2356

Total Depth: 4580 Plug Back Total Depth: \_\_\_\_\_

Amount of Surface Pipe Set and Cemented at: 222 Feet

Multiple Stage Cementing Collar Used?  Yes  No

If yes, show depth set: 1548 Feet

If Alternate II completion, cement circulated from: 1548

feet depth to: surface w/ 200 sx cmt.

**Drilling Fluid Management Plan**

(Data must be collected from the Reserve Pit)

Chloride content: \_\_\_\_\_ ppm Fluid volume: \_\_\_\_\_ bbls

Dewatering method used: \_\_\_\_\_

Location of fluid disposal if hauled offsite: OCT 3, 1 2011

Operator Name: \_\_\_\_\_

Lease Name: KCC WICHITA 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: 10/27/11

**KCC Office Use ONLY**

- Letter of Confidentiality Received  
Date: \_\_\_\_\_
- Confidential Release Date: \_\_\_\_\_
- Wireline Log Received
- Geologist Report Received
- UIC Distribution
- ALT  I  II  III Approved by: Dlg Date: 11/14/11

Operator Name: Palomino Petroleum, Inc. Lease Name: Schroeder Well #: 1

Sec. 19 Twp. 21 S. R. 24  East  West County: Hodgeman

**INSTRUCTIONS:** Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach complete copy of all Electric Wire-line Logs surveyed. Attach final geological well site report.

<p>Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i></p> <p>Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Electric Log Submitted Electronically <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i></p> <p>List All E. Logs Run: <b>Dual Induction, Compensated Neutron/Density</b></p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;"><input checked="" type="checkbox"/> Log</td> <td style="width:30%;">Formation (Top), Depth and Datum</td> <td style="width:20%;"><input type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Anhy.</td> <td>1571</td> <td>(+ 785)</td> </tr> <tr> <td>Base Anhy.</td> <td>1607</td> <td>(+ 749)</td> </tr> <tr> <td>Topeka</td> <td>3426</td> <td>(-1070)</td> </tr> <tr> <td>Heebner</td> <td>3774</td> <td>(-1418)</td> </tr> <tr> <td>Lansing</td> <td>3826</td> <td>(-1470)</td> </tr> <tr> <td>BKC</td> <td>4181</td> <td>(-1825)</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Anhy.	1571	(+ 785)	Base Anhy.	1607	(+ 749)	Topeka	3426	(-1070)	Heebner	3774	(-1418)	Lansing	3826	(-1470)	BKC	4181	(-1825)
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Lansing	3826	(-1470)																							
BKC	4181	(-1825)																							

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#	222'	Class A	150	2% gel, 3% c.c.
Production	7 7/8"	5 1/2"	14#	4576'	SMD	50	500 gal. mud flush
					EA-2	100	wiadd. & 20 bbls. KCL water

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

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
4	4470-4474	Acidized 400 gal. 20% MCA, 2% ms, 18 bbls.	
		KCL water and 80 bbls. salt water	

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TUBING RECORD: Size: <u>2 7/8"</u> Set At: <u>4552'</u> Packer At:		Liner Run: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Date of First, Resumed Production, SWD or ENHR. <u>9/22/11</u>		Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) _____	
Estimated Production Per 24 Hours	Oil Bbls. <u>20%</u> <u>18</u>	Gas Mcf	Water Bbls. <u>80%</u> <u>72</u> 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 checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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**LOGS**

Marmaton	4206	(-1850)
Pawnee	4286	(-1930)
Ft. Scott	4341	(-1985)
Cherokee	4368	(-2012)
Miss.	4446	(-2090)
Miss. Osage	4468	(-2112)
LTD	4580	(-2224)

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# ALLIED CEMENTING CO., LLC. 037339

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

SERVICE POINT:  
Great Bend, KS

DATE 8-12-11	SEC. 19	TWP. 21	RANGE 24	CALLED OUT	ON LOCATION	JOB START 5:30am	JOB FINISH 6:00am
LEASE Schroeder			WELL # 1	LOCATION Johnson Ks. 8 1/4 west to Rd NW 26		COUNTY Hodgson	STATE KS
OLD OR NEW (Circle one)			30 north to rd V 2 3/4 East S into				

*New Book*  
866.36  
4511.75  
866.36  
308.00  
176.00

5139.11  
866.36 RT  
4272.75  
206 (854.55)  
3418.20  
866.36  
726 (606.45)  
259.91  
3418.20  
259.91  
3678.11

CONTRACTOR <i>A. Krell Drilling Rig #1</i>		OWNER <i>Palomina Petroleum</i>	
TYPE OF JOB <i>Surface</i>		CEMENT	
HOLE SIZE <i>12 1/4</i>	T.D. <i>224</i>	AMOUNT ORDERED <i>150 sa class A 390cc</i>	
CASING SIZE <i>8 3/8 23'</i>	DEPTH <i>227</i>	<i>2% gel</i>	
TUBING SIZE	DEPTH		
DRILL PIPE <i>4 1/2</i>	DEPTH <i>227</i>		
TOOL	DEPTH		
PRES. MAX	MINIMUM		
MEAS. LINE	SHOE JOINT		
CEMENT LEFT IN CSG. <i>150#</i>			
PERFS.			
DISPLACEMENT <i>Freshwater</i>			
EQUIPMENT			
PUMP TRUCK	CEMENTER <i>Bob R.</i>		
# <i>366</i>	HELPER <i>Tom H</i>		
BULK TRUCK			
# <i>341</i>	DRIVER <i>Kevin W.</i>		
BULK TRUCK			
#	DRIVER		

COMMON <i>150</i>	@ <i>11.25</i>	<i>2,437.50</i>
POZMIX	@	
GEL <i>7</i>	@ <i>21.25</i>	<i>148.75</i>
CHLORIDE <i>5</i>	@ <i>58.20</i>	<i>291.00</i>
ASC	@	
HANDLING <i>158</i>	@ <i>2.25</i>	<i>355.50</i>
MILEAGE <del>300</del> <i>327.11</i>		<i>382.36</i>
TOTAL		<i>3530.11</i>

**REMARKS:**

*Break circulation with csg mud. Hook up to cement pump. mix 150 sa class A 390cc 2% gel with 2.25 lbs water. cement and circulate. Displace with 13.50 bbls Freshwater shut in csg down.*

20/70

**SERVICE**

DEPTH OF JOB <i>227</i>		
PUMP TRUCK CHARGE		<i>1125.00</i>
EXTRA FOOTAGE	@	
MILEAGE <i>HVM 4422</i>	@ <i>7.00</i>	<i>154.00</i>
MANIFOLD <i>HVM 4422</i>	@ <i>4.00</i>	<i>80.00</i>
TOTAL		<i>1367.00</i>

*308.00 RT. MEL.*  
*176.00 RT. MEL.*

CHARGE TO: Palomina Petroleum  
STREET \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**PLUG & FLOAT EQUIPMENT**

_____	@	
_____	@	
_____	@	
_____	@	
_____	@	

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**OCT 31 2011**

**TOTAL KCC WICHITA**

To Allied Cementing Co., LLC.  
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Ray Moon

SIGNATURE Ray Moon

*Than Kyeon*

SALES TAX (If Any)		
TOTAL CHARGES	<i>4897.11</i>	
DISCOUNT <i>20%</i>	<i>979.42</i>	IF PAID IN 30 DAYS
	<i>3,917.69</i>	



PO BOX 31 Russell, KS 67665

RECEIVED

AUG 22 2011

# INVOICE

Invoice Number: 128186

Invoice Date: Aug 12, 2011

Page: 1

Voice: (785) 483-3887  
 Fax: (785) 483-5566

<b>Bill To:</b>
Palomino Petroleum, Inc. 4924 SE 84th St. Newton, KS 67114-8827

Customer ID	Well Name#-or-Customer P.O.	Payment Terms	
Palo	Schroeder #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Great Bend	Aug 12, 2011	9/11/11

Quantity	Item	Description	Unit Price	Amount
150.00	MAT	Class A Common	16.25	2,437.50
3.00	MAT	Gel	21.25	63.75
5.00	MAT	Chbride	58.20	291.00
158.00	SER	Handling	2.25	355.50
22.00	SER	Mileage	17.38	382.36
1.00	SER	Surface	1,125.00	1,125.00
44.00	SER	Heavy Vehicle Mileage	7.00	308.00
44.00	SER	Light Vehicle Mileage	4.00	176.00
1.00	OPER ASSIST	Bobby Roller		
1.00	OPER ASSIST	Trint Hall		
1.00	OPER ASSIST	Kevin Weighous		

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 OCT 31 2011  
 KCC WICHITA

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

\$ 1027.83

ONLY IF PAID ON OR BEFORE  
 Sep 6, 2011

Subtotal	5,347.13
Sales Tax	208.02
Total Invoice Amount	5,347.13
Payment/Credit Applied	
<b>TOTAL</b>	<b>5,347.13</b>

# SWIFT



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



## Invoice

DATE	INVOICE #
9/6/2011	22261

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

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SEP 09 2011

- Acidizing
- Cement
- Tool Rental

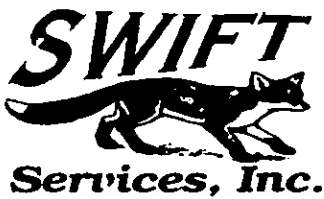
TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Schroeder	Hodgeman	DS&W Well Servi...	Oil	Development	Acidize Formation	Jason
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way				30	Miles	6.00	180.00
501D	Acid Pump Charge				1	Job	650.00	650.00
303 - 20%	MCA Acid				400	Gallons	2.25	900.00
235	INH.1 ESA-28				1	Gallon(s)	35.00	35.00
249	STR-1 (Pen 88)				1	Gallon(s)	40.00	40.00
232	Musal ESA-64				12	Gallon(s)	18.00	216.00
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00
	Subtotal							2.071.00
	Sales Tax Hodgeman County						7.45%	0.00

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We Appreciate Your Business!

Total

\$2.071.00



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

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 OCT 31 2011  
 KCC WICHITA

TICKET No 22261

PAGE 1 OF 1

SERVICE LOCATIONS 1. <b>NESS CITY, KS</b>	WELL/PROJECT NO.	LEASE <b>SCHRODER #1</b>	COUNTY/PARISH <b>HODGEMAN</b>	STATE <b>KS</b>	CITY <b>JETMORE, KS</b>	DATE <b>6 SEP 11</b>	OWNER
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <b>DS &amp; W WELL SERV.</b>	RIG NAME/NO.	SHIPPED VIA	DELIVERED TO <b>LOCATION</b>	ORDER NO.	
3.	WELL TYPE <b>OIL</b>	WELL CATEGORY <b>DEVELOPMENT</b>	JOB PURPOSE <b>ACIDIZE FORMATION</b>	WELL PERMIT NO.	WELL LOCATION <b>N70 U RD 1 W 1 S 2 1/2 W 1/2 N 1/2 W, 1/2 N, 1 1/2 W, S E 1/4</b>		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	DF		QTY.	UM	QTY.	UM	
500		1			MILEAGE #110	30	mi	6	00	180.00
501		1			Pump CHARGE	1	FB	650	00	650.00
303		1			MCA ACID	400	gal	20%	2.25	900.00
235		1			TOWERS-1	1	gal	35	00	35.00
249		1			STR-1	1	gal	40	00	40.00
232		1			MUSOL	12	gal	18	00	216.00
221		1			LIQUID KCL	2	gal	25	00	50.00

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

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

X

DATE SIGNED **6 Sep 11** TIME SIGNED **1815**  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	<b>2071.00</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?					
ARE YOU SATISFIED WITH OUR SERVICE?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO			
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL	<b>2071.00</b>

Hodgeman TAX 7.45%

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 6 Sep 11 PAGE NO. 7

CUSTOMER **FALCON PETROLEUM**

WELL NO.

LEASE **SCHROEDER # 1**

JOB TYPE **ACIDIZE FORMATION**

TICKET NO. **22261**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1720							ON LOCATION 5 1/2 PERFS @ 4470-74
	1735	6			✓			START ACID DOWN WELL
		6	10		✓			START 1 1/2 BBL KCL FLUSH
		6	28		✓			START FLUSH
	1754	Ø	103		✓	VAC.		ISIP - DID NOT LOAD CASING
								TREAT WITH 400 gal 20% MCA
	1810							JOB COMPLETE
								THANKS # 110
								JASON JEFF

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OCT 3 1 2011

KCC WICHITA



# SWIFT



*Services, Inc.*

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



## Invoice

DATE	INVOICE #
8/31/2011	20336

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

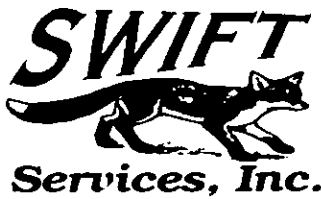
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SEP 02 2011

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Schroeder	Hodgeman	DS&W Well Servi...	Oil	Development	Port Collar	Nick
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				20	Miles	6.00	120.00
576D-D	Pump Charge - Port Collar				1	Job	1,250.00	1,250.00
290	D-Air				2	Gallon(s)	35.00	70.00T
330	Swift Multi-Density Standard (MIDCON II)				200	Sacks	16.50	3,300.00T
276	Flocele				50	Lb(s)	2.00	100.00T
581D	Service Charge Cement				200	Sacks	2.00	400.00
582D	Minimum Drayage Charge				1	Each	250.00	250.00
	Subtotal							5,490.00
	Sales Tax Hodgeman County						7.45%	258.52

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OCT 31 2011  
KCC WICHITA

We Appreciate Your Business!	Total	\$5,748.52
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CHARGE TO: *Palomina Petroleum*  
 ADDRESS:  
 CITY, STATE, ZIP CODE:

RECEIVED  
 OCT 31 2011  
 KCC WICHITA

TICKET  
 20336  
 PAGE 1 OF 1

SERVICE LOCATIONS 1. <i>Hays, Ks.</i>	WELL/PROJECT NO. #1	LEASE <i>Schroeder</i>	COUNTY/PARISH <i>Hodgeman</i>	STATE <i>Ks</i>	CITY	DATE <i>8-31-11</i>	OWNER <i>Same</i>
2. <i>Ness City, Ks.</i>	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <i>D.S &amp; W.</i>	RIG NAME/NO.	SHIPPED VIA <i>CT</i>	DELIVERED TO <i>Location</i>	ORDER NO.	
3.	WELL TYPE <i>oil</i>	WELL CATEGORY <i>Development</i>	JOB PURPOSE <i>Port Collar</i>	WELL PERMIT NO.	WELL LOCATION		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT	
		LOC	ACCT	DF		QTY.	UM	QTY.	UM		
<i>575</i>		<i>1</i>			<i>MILEAGE #111</i>	<i>20</i>	<i>mi</i>	<i>6</i>	<i>00</i>	<i>120</i>	<i>00</i>
<i>576D</i>		<i>1</i>			<i>Pump Charge (Port Collar)</i>	<i>1</i>	<i>ca</i>	<i>1250</i>	<i>00</i>	<i>1250</i>	<i>00</i>
<i>290</i>		<i>1</i>			<i>D-Air</i>	<i>2</i>	<i>gal</i>	<i>35</i>	<i>00</i>	<i>70</i>	<i>00</i>
<i>330</i>		<i>2</i>			<i>SMD Cement</i>	<i>200</i>	<i>skt</i>	<i>16</i>	<i>50</i>	<i>3300</i>	<i>00</i>
<i>276</i>		<i>2</i>			<i>Flacole</i>	<i>50</i>	<i>#</i>	<i>2</i>	<i>00</i>	<i>100</i>	<i>00</i>
<i>-81</i>		<i>2</i>			<i>Cement Service Charge</i>	<i>200</i>	<i>skt</i>	<i>2</i>	<i>00</i>	<i>400</i>	<i>00</i>
<i>582</i>		<i>2</i>			<i>Minimum Drayage</i>			<i>250</i>	<i>00</i>	<i>250</i>	<i>00</i>

**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: *Kirk Shreiber*  
 DATE SIGNED *8-31-11* TIME SIGNED *1510*  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	<i>5490</i>	<i>00</i>
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?				<i>Hodgeman TAX 7.45%</i>	<i>258</i>	<i>52</i>
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	<i>5748</i>	<i>52</i>
<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 *Mike Roche* APPROVAL

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 8-31-11 PAGE NO. 1

CUSTOMER Palomina Petroleum WELL NO. # 1 LEASE Schroeder JOB TYPE Port Cellar TICKET NO. 20336

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1315							on loc set up Trks 2 3/8" X 5 1/2" P.C. @ 1575'
	1400						1000	Test Csg Open P.C.
	1410	3.5	3			150		Taking rate & check for blow
	1415	4	0					Start Cement
	1440	4	100					Circ Cement / raise weight
	1441	4	105					End Cement / Start Displacement
	1442		5					Cement displaced
								Close P.C.
	1445						1000	Test Csg
								Run 4 its
	1455	3.5	0					Reverse out
	1500		18					Hole Clean

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Thank you  
Nick, Josh F. & David

# SWIFT



Services, Inc.

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



## Invoice

DATE	INVOICE #
8/19/2011	22192

BILL TO
Palomino Petroleum Inc. 4924 S E 84th Street 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	Schroeder	Hodgeman	Pickrell Drilling #1	Oil	Development	5-1/2" LongString	Jason
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				25	Miles	6.00	150.00
578D-L	Pump Charge - Long String - 4571 Feet				1	Job	1,500.00	1,500.00
402-5	5 1/2" Centralizer				10	Each	70.00	700.00T
403-5	5 1/2" Cement Basket				3	Each	250.00	750.00T
404-5	5 1/2" Port Collar - 1548 Feet				1	Each	2,400.00	2,400.00T
406-5	5 1/2" Latch Down Plug & Baffle				1	Each	250.00	250.00T
407-5	5 1/2" Insert Float Shoe With Auto Fill				1	Each	350.00	350.00T
419-5	5 1/2" Rotating Head Rental				1	Each	200.00	200.00T
281	Mud Flush				500	Gallon(s)	1.25	625.00T
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00T
276	Flocele				50	Lb(s)	2.00	100.00T
283	Salt				500	Lb(s)	0.20	100.00T
284	Calseal				5	Sack(s)	35.00	175.00T
286	Halad-1 (Halad 9)				50	Lb(s)	7.50	375.00T
290	D-Air				2	Gallon(s)	35.00	70.00T
325	Standard Cement				100	Sacks	13.50	1,350.00T
330	Swift Multi-Density Standard (MIDCON II)				100	Sacks	16.50	1,650.00T
581D	Service Charge Cement				200	Sacks	2.00	400.00
583D	Drayage				255.75	Ton Miles	1.00	255.75
Subtotal								11,450.75
Sales Tax Hodgeman County							7.45%	681.30

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We Appreciate Your Business!

Total

\$12,132.05



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

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TICKET 22192  
 PAGE 1 OF 2

SERVICE LOCATIONS: 1. NESS CITY, KS  
 WELL/PROJECT NO.: SCHROEDER #1  
 LEASE: HODGEMAN  
 COUNTY/PARISH: KS  
 CITY: JETMORE, KS  
 DATE: 19 AUG 11  
 OWNER:  
 TICKET TYPE:  SERVICE  SALES  
 CONTRACTOR: PICKRELL DRILLING RIG #1  
 RIG NAME/NO.:  
 SHIPPED VIA: LOCATION  
 DELIVERED TO:  
 ORDER NO.:  
 WELL TYPE: OIL  
 WELL CATEGORY: DEVELOPMENT  
 JOB PURPOSE: S<sup>2</sup> LONGSTRING  
 WELL PERMIT NO.:  
 WELL LOCATION: N TO RD V, 1/2 W, IS 2 1/2 W, 1/2 N, 1/2 W, 1/2 N, 1/2 W, S 1/2 W

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE #110	25		MIL		6.00	150.00
#578		1			PUMP CHARGE	1	4571	FT.		1500.00	1500.00
402		1			CENTRALIZERS	10		EA.		70.00	700.00
403		1			CEMENT BASKETS	3		EA.		250.00	750.00
404		1			PORT COLLAR	1	1548	FT.		2400.00	2400.00
406		1			LATCH DOWN PLUG & BAFFLE	1		EA.		250.00	250.00
407		1			INSERT FLOAT SHADE W/AUTO FILL	1		EA.		350.00	350.00
281		1			MUD FLUSH	500		Gal		1.25	625.00
221		1			LIQUID KCL	2		Gal		25.00	50.00
419		1			ROTATING HEAD RENTAL	1		DOB			200.00

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

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

X *[Signature]*  
 DATE SIGNED: 19 AUG 11  
 TIME SIGNED: 2245  A.M.  P.M.

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

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				PAGE TOTAL 1 6975.00
WE UNDERSTOOD AND MET YOUR NEEDS?				2 4475.75
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				sub total 11450.75
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				Hodgeman TAX 7.45% 681.30
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL 12,132.05
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				

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

SWIFT OPERATOR: *[Signature]* APPROVAL: \_\_\_\_\_

Thank You!



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

TICKET CONTINUATION

TICKET No. 22192

CUSTOMER PALOMINO PETROLEUM WELL SCHARREDER #1 DATE 19 AUG 11 PAGE 2 OF 2

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF			QTY.	U/M	QTY.	U/M		
276		1				FLOCEL	50	lb			2	100.00
283		1				SALT	500	lb			20	100.00
284		1				CALSEAL	5	bx			35	175.00
286		1				HALAD-1	50	lb			7.50	375.00
290		1				D-AIR	2	sq			35.00	70.00
335		1				STANDARD CEMENT	100	sq			13.50	1350.00
330		1				SWIFT MULTI DENSITY	100	sq			16.50	1650.00
581		1				SERVICE CHARGE					2.00	400.00
583		1				AN LEAGE CHARGE					1.00	255.75
						TOTAL WEIGHT	20760					
						LOADED MILES	25					
						CUBIC FEET	200	sq				
						TON MILES	255.75					

CONTINUATION TOTAL 4475.75

JOB LOG

SWIFT Services, Inc.

DATE 19 AUG 11 PAGE NO. 1

CUSTOMER VALDOMINO PETROLEUM WELL NO. LEASE SCARDEBER #1 JOB TYPE 5 1/2 LONG STRING TICKET NO. 22192

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1500							ON LOCATION
	1740							START PIPE 5 1/2" 14" RTD @ 4580 SHOE JT 21.05 CENTRALIZERS 1, 2, 4, 5, 6, 7, 8, 9, 11, 73 BASKETS 3, 6, 74 PORT COLLAR JT 74 @ 1548
	2030							DROP BALL CIRCULATE
	2127	6	12		✓			Pump 500 gal MUD FLUSH Pump 20 BBL KCL FLUSH
		6	20		✓			
	2133		7.5					PLUG RH/MH (30sx-20sx)
	2137	4	17		✓			MIX 50 SX SMD
		4	24		✓			MIX 100 SX EA2
	2154							WASH OUT PUMPING LINES.
	2156	6			✓			RELEASE PLUG START DISPLACEMENT
	2215	8	111		✓	1500		PLUG DOWN PRESSURE UP LATCH PLUG IN
	2218							RELEASE PRESSURE DRY
	2220							WASH TRUCK
	2245							TOT COMPLETE
								THANKS #110
								JASON JEFF LANE

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

Lease Name **Schroeder**  
 Lease # **1**  
 Legal Desc **NW SW NE NE**  
 Section **19**  
 Township **21S**  
 County **Hodgeman**  
 Drilling Cont **Pickrell Drilling #1**

Job Ticket **3441**  
 Range **24W**  
 State **KS**

Comments **Field: Wildcat**

**GENERAL INFORMATION**

Test # **1** Test Date **8/17/2011**  
 Tester **Jimmy Ricketts**  
 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 **51.0**  
 Filtrate **18.4** Chlorides **3900**

Chokes **3/4** Hole Size **7 7/8**  
 Top Recorder # **13767**  
 Mid Recorder #  
 Bott Recorder # **w1022**  
 Mileage **176** Approved By  
 Standby Time **0**  
 Extra Equipmnt **Jars & Safety Joint**  
 Time on Site **9:00 PM**  
 Tool Picked Up **10:00 PM**  
 Tool Layed Dwn **3:30 AM**  
 Elevation **2346.00** Kelley Bushings **2356.00**  
 Start Date/Time **8/17/2011 9:50 PM**  
 End Date/Time **8/18/2011 3:50 AM**

Drill Collar Len **123.0**  
 Wght Pipe Len **0**

Formation **Marmaton, Pawnee, & Fort Scott**  
 Interval Top **4246.0** Bottom **4375.0**  
 Anchor Len Below **129.0** Between **0**  
 Total Depth **4375.0**

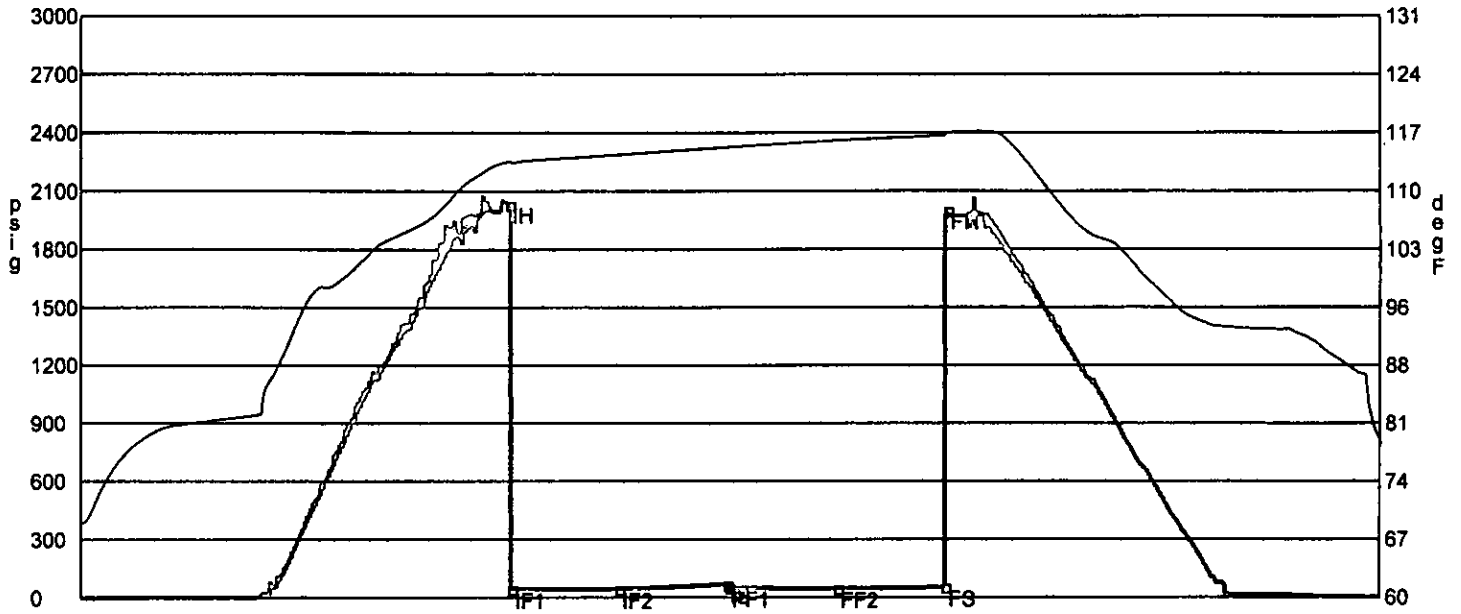
Blow Type **Weak blow building to 1/4 inch initial flow period. No blow final flow period.**  
 Times: **30, 30, 30, 30.**

**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
20	Slight oil cut mud	0% 0ft	2% 0.4ft	0% 0ft	98% 19.6ft
DST Fluids		0			

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	Date	Time	Pressure	Temp	
IH	8/17/2011 11:48:00 PM	1.966667	2034.355	113.28	Initial Hydro-static
IF1	8/17/2011 11:48:40 PM	1.977778	43.673	113.106	Initial Flow (1)
IF2	8/18/2011 12:18:40 AM	2.477778	43.215	114.131	Initial Flow (2)
IS	8/18/2011 12:48:50 AM	2.980556	67.605	115.011	Initial Shut-In
FF1	8/18/2011 12:49:20 AM	2.988889	50.218	115.025	Final Flow (1)
FF2	8/18/2011 1:19:40 AM	3.494444	45.581	115.827	Final Flow (2)
FS	8/18/2011 1:49:40 AM	3.994444	51.714	116.452	Final Shut-In
FH	8/18/2011 1:50:20 AM	4.005556	1999.626	116.745	Final Hydro-static

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke

Company	<b>Palomiino Petroleum, Inc.</b>	Lease Name	<b>Schroeder</b>	
Address	<b>4924 SE 84th Street</b>	Lease #	<b>1</b>	
CSZ	<b>Newton, KS 67114</b>	Legal Desc	<b>NW SW NE NE</b>	Job Ticket <b>3441</b>
Attn.	<b>Nick Gerstner</b>	Section	<b>19</b>	Range <b>24W</b>
		Township	<b>21S</b>	
		County	<b>Hodgeman</b>	State <b>KS</b>
		Drilling Cont	<b>Pickrell Drilling #1</b>	
Comments	<b>Field: Wildcat</b>			

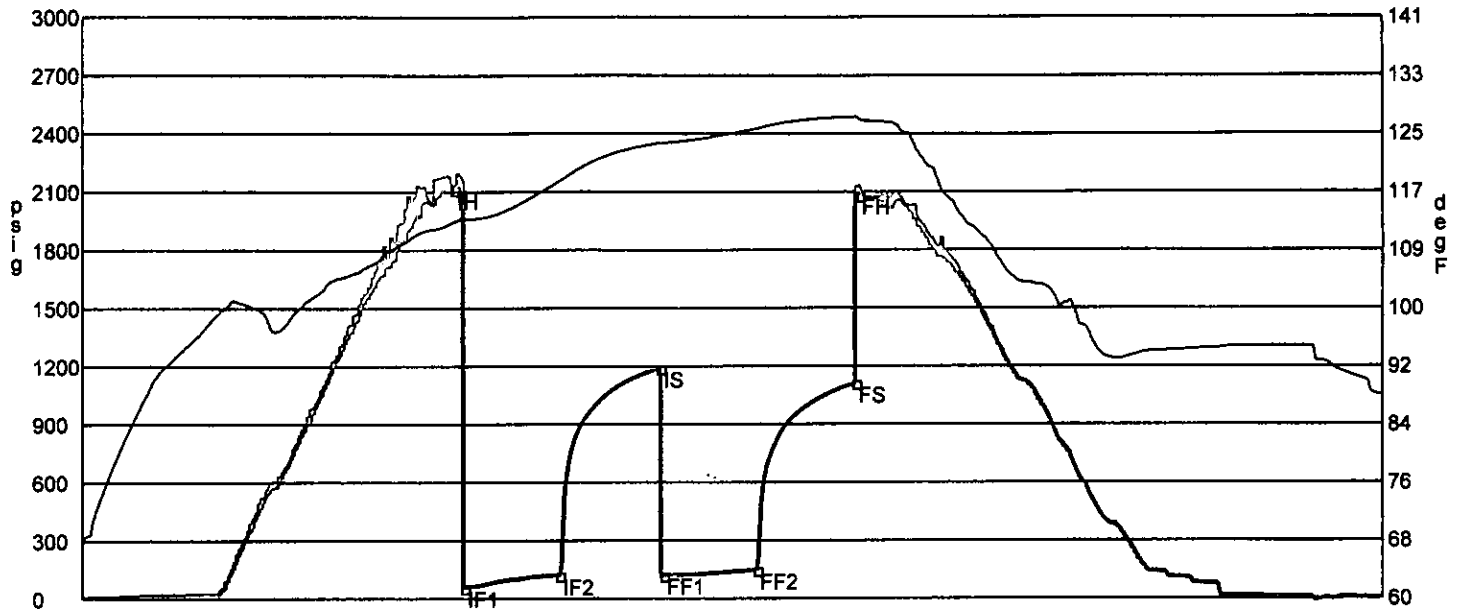
**GENERAL INFORMATION**

Test # <b>2</b>	Test Date <b>8/18/2011</b>	Chokes <b>3/4</b>	Hole Size <b>7 7/8</b>
Tester <b>Jimmy Ricketts</b>		Top Recorder # <b>w1022</b>	
Test Type <b>Conventional Bottom Hole Successful Test</b>		Mid Recorder #	
		Bott Recorder # <b>13767</b>	
# of Packers <b>2.0</b>	Packer Size <b>6 3/4</b>	Mileage <b>0</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>9.0</b>	Viscosity <b>50.0</b>	Time on Site <b>1:30 PM</b>	
Filtrate <b>16.8</b>	Chlorides <b>5000</b>	Tool Picked Up <b>3:00 PM</b>	
		Tool Layed Dwn <b>9:00 PM</b>	
Drill Collar Len <b>123.0</b>		Elevation <b>2346.00</b>	Kelley Bushings <b>2356.00</b>
Wght Pipe Len <b>0</b>			
Formation <b>Mississippian</b>		Start Date/Time <b>8/18/2011 2:49 PM</b>	
Interval Top <b>4466.0</b>	Bottom <b>4480.0</b>	End Date/Time <b>8/18/2011 9:28 PM</b>	
Anchor Len Below <b>14.0</b>	Between <b>0</b>		
Total Depth <b>4480.0</b>			
Blow Type <b>Weak blow building to 10 inches initial flow period. 1/4 inch blow back during initial shut-in period. Weak blow building to 8 inches final flow period. 1/4 inch blow back during final shut-in period. Times: 30, 31, 30, 30. API gravity of oil was 37.</b>			

**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
80	Gas in pipe	100% 80ft	0% 0ft	0% 0ft	0% 0ft
160	Clean oil	0% 0ft	100% 160ft	0% 0ft	0% 0ft
70	Mud with trace oil	0% 0ft	trace	0% 0ft	100% 70ft
60	Oil and heavy mud cut water	0% 0ft	4% 2.4ft	68% 40.8ft	28% 16.8ft
DST Fluids <b>11000</b>					

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	Date	Time	Pressure	Temp	
IH	8/18/2011 4:42:10 PM	1.886111	2112.129	112.491	Initial Hydro-static
IF1	8/18/2011 4:45:20 PM	1.938889	56.044	112.825	Initial Flow (1)
IF2	8/18/2011 5:14:40 PM	2.427778	118.825	118.066	Initial Flow (2)
IS	8/18/2011 5:45:40 PM	2.944444	1189.217	123.476	Initial Shut-In
FF1	8/18/2011 5:46:40 PM	2.961111	121.203	123.482	Final Flow (1)
FF2	8/18/2011 6:15:30 PM	3.441667	146.59	125.42	Final Flow (2)
FS	8/18/2011 6:46:00 PM	3.95	1110.651	127.093	Final Shut-In
FH	8/18/2011 6:47:00 PM	3.966667	2080.906	127.003	Final Hydro-static

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke