

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. Newton
Address 2: _____
City: Newton State: KS Zip: 67114 + 8 8 2 7
Contact Person: Klee R. Watchous
Phone: (316) 799-1000
CONTRACTOR: License # 4958
Name: Mallard JV, Inc.
Wellsite Geologist: Nicholas P. Gerstner
Purchaser: NCRA

Designate Type of Completion:

- New Well Re-Entry Workover
- Oil WSW SWD SIOW
 Gas D&A ENHR SIGW
 OG GSW Temp. Abd.
 CM (Coal Bed Methane)
 Cathodic Other (Core, Expl., etc.): _____

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

Operator: _____

Well Name: _____

Original Comp. Date: _____ Original Total Depth: _____

- Deepening Re-perf. Conv. to ENHR Conv. to SWD
 Conv. to GSW
- Plug Back: _____ Plug Back Total Depth _____
 Commingled Permit #: _____
 Dual Completion Permit #: _____
 SWD Permit #: _____
 ENHR Permit #: _____
 GSW Permit #: _____

9/1/11	9/10/11	9/10/11
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-25294-0000

Spot Description: _____

NW SW SE NW Sec. 33 Twp. 16 S. R. 26 East West

2,192 Feet from North / South Line of Section

1,485 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE NW SE SW

County: Ness

Lease Name: Horchem-Huxman Well #: 1

Field Name: None (Wildcat)

Producing Formation: Mississippian

Elevation: Ground: 2638 Kelly Bushing: 2643

Total Depth: 4661 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: 218 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: 2021 Feet

If Alternate II completion, cement circulated from: 2021

feet depth to: surface w/ 145 sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: _____ ppm Fluid volume: _____ bbls

Dewatering method used: _____

Location of fluid disposal if hauled offsite: _____

Operator Name: _____

Lease Name: _____ License #: _____

Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West

County: _____ Permit #: _____

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KCC WICHITA

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: 12/30/11

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: 1/3/12

Operator Name: Palomino Petroleum, Inc. Lease Name: Horchem-Huxman Well #: 1

Sec. 33 Twp. 16 S. R. 26 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 Yes No
(Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No

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

List All E. Logs Run:

Radiation Guard

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Anhy.	2044	(+ 599)
Base Anhy.	2075	(+ 568)
Topeka	3644	(-1001)
Heebner	3901	(-1258)
Lansing	3940	(-1297)
Stark	4192	(-1549)
BKC	4255	(-1612)

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#	218'	Common	150	2% gel, 3% c.c.
Production	7 7/8"	5 1/2"	14#	4643'	SMD	100	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 Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
4	4604-4606	Acidized 250 gal. 20% MCA, 3% ms.	
4	4570-4572 & 4575-4578	Acidized 350 gal. 20% MCA, 3% ms.	
		Acidized 750 gal. 20% FENE, 2% ms.	
		Acidized 1500 gal. 20% FENE, 2% ms.	
	Set CIBP @ 4600'		

TUBING RECORD: Size: 2 7/8" Set At: 4603' Packer At: _____ Liner Run: Yes No

Date of First, Resumed Production, SWD or ENHR. <u>10/21/11</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>88%</u> <u>31</u> Gas Mcf _____ Water Bbls. <u>12%</u> <u>4</u> Gas-Oil Ratio _____ Gravity _____

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

Marmaton	4300	(-1657)
Pawnee	4392	(-1749)
Ft. Scott	4451	(-1808)
Cherokee	4474	(-1831)
Miss. Dolo.	4556	(-1913)
LTD	4661	(-2018)

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KCC WICHITA

SWIFT



Services, Inc.

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



Invoice

DATE	INVOICE #
10/6/2011	22402

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

RECEIVED
OCT 12 2011

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Horchem-Hu...	Ness	DS&W Well Servi...	Oil	Development	Acidize Formation	Dusty

PRICE REF.	DESCRIPTION	QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way	35	Miles	6.00	210.00
501D	Acid Pump Charge	1	Job	650.00	650.00
301 - 20%	FE Acid	1,500	Gallons	2.20	3,300.00
230	Surf-3 ESA-N35 (Losurf 300)	3	Gallon(s)	25.00	75.00
232	Musal ESA-64	30	Gallon(s)	18.00	540.00
235	INH.1 ESA-28	3	Gallon(s)	35.00	105.00
254	Micell-1	3	Gallon(s)	40.00	120.00
	Subtotal				5,000.00
	Sales Tax Ness County			6.30%	0.00

RECEIVED
JAN 03 2012
KCC WICHITA

We Appreciate Your Business!

Total

\$5,000.00



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

RECEIVED
 JAN 03 2012
 KCC WICHITA

TICKET No 22402

PAGE 1 OF 1

SERVICE LOCATIONS 1. <u>NESS CITY KS.</u>	WELL/PROJECT NO. #1	LEASE <u>HORCHUM-HUXMAN</u>	COUNTY/PARISH <u>NESS CO.</u>	STATE <u>KS</u>	CITY <u>UTICA KS.</u>	DATE <u>10 06 11</u>	OWNER
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <u>DS & W</u>	RIG NAME/NO. <u>Jim</u>	SHIPPED VIA	DELIVERED TO <u>2 W. P.O. B., 1/2 S., E. END</u>	ORDER NO.	
3.	WELL TYPE <u>Oil Well</u>	WELL CATEGORY <u>DEVELOPMENT</u>	JOB PURPOSE <u>ACIDIZING FORMATION</u>	WELL PERMIT NO.	WELL LOCATION <u>see 33-165-26u</u>		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
500		1			MILEAGE 107	1	@	35	ML	6.00	210.00
501		1			ACID Pump CHARGE	1	@			650.00	650.00
301		1			FE ACID w/NE ADDITIVES	1500	gal	20	¢/20	2.20	3300.00
230		1			SURF-3	3	gal			25.00	75.00
232		1			MUSAL	30	gal			18.00	540.00
235		1			INITIAL-1	3	gal			35.00	105.00
254		1			MICELL-1	3	gal			40.00	120.00

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 Rick Schreiber
 DATE SIGNED 10 06 11 TIME SIGNED 1415 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	5000.00
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?				7.55 TAX	
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO			
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL	5000.00

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

SWIFT OPERATOR DUSTY D. FULW APPROVAL

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 10 06 11 PAGE NO. 7

CUSTOMER PALOMINO PETROLEUM WELL NO. #1 LEASE HORCHUM-HUMAN JOB TYPE ACIDIZE FORMATION TICKET NO. 22402

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1235							ON LOCATION D.S.W UNLOADING RODS.
								TANK PERFS. 4570'-72'
								FWHT. SPOT NOISE
								5 1/2 x 14 # TREAT 4572'
								.0244 CS. 111.538
	1309	5	.1		✓		0	START PUMPING
	1317	2	36		✓		0	ON FLUSH
		4.8	51		✓		0	
		4.9	66		✓		0	
		4.8	81		✓		0	
		4.8	96		✓		0	
		4.8-3	111		✓		0	ACID STARTING INTO FORMATION REDUCES RATE
		3	126		✓		0	
	1341	3-.75	132		✓		300	LOADED 28.5 BBL ACID OUT.
		1.87	134		✓		400	
		1.50	137		✓		500	
		1.50	139		✓		500	28.5 BBL ACID OUT.
		1.58	140		✓		500	RATE INCREASE BY ITSELF
		1.52	141		✓		475	BREAK 30 BBL ACID OUT
		1.52	143		✓		350	
		1.52	145		✓		300	
		1.52	145.75		✓		200	
	1357	1.49-0	147.50		✓		150	ESIP 0 at 1 MIN 36 BBL OUT
					✓		VAC	VACUUM 2 MIN
								REU DOWN
								TICKET
	1415							Job Completed

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 KCC WICHITA



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



Invoice

DATE	INVOICE #
10/5/2011	22325

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

RECEIVED

OCT 08 2011

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Horchem-Hu...	Ness	DS&W Well Servi...	Oil	Development	Acidize Formation	Dusty
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way				35	Miles	6.00	210.00
501D	Acid Pump Charge				1	Job	650.00	650.00
301 - 20%	FE Acid				750	Gallons	2.20	1,650.00
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00
230	Surf-3 ESA-N35 (Losurf 300)				2	Gallon(s)	25.00	50.00
232	Musal ESA-64				15	Gallon(s)	18.00	270.00
235	INH.1 ESA-28				2	Gallon(s)	35.00	70.00
254	Micell-1				2	Gallon(s)	40.00	80.00
	Subtotal							3,030.00
	Sales Tax Ness County						6.30%	0.00

RECEIVED
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 KCC WICHITA

We Appreciate Your Business!

Total

\$3,030.00



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

RECEIVED
 JAN 03 2012
 KCC WICHITA

TICKET
 No 22325

PAGE 1 OF 1

SERVICE LOCATIONS 1. <u>NESS CITY KS.</u>	WELL/PROJECT NO. #1	LEASE <u>HORCHAM - HURMAN</u>	COUNTY/PARISH <u>NESS CO.</u>	STATE <u>KS</u>	CITY <u>NESS KS</u>	DATE <u>10 05 11</u>	OWNER
2.	TICKET TYPE <input type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <u>DSEW</u>	RIG NAME/NO. <u>JIM</u>	SHIPPED VIA	DELIVERED TO <u>201 RD B, 165, E. TATE</u>	ORDER NO.	
3.	WELL TYPE <u>DEWELL</u>	WELL CATEGORY <u>DEVELOPMENT</u>	JOB PURPOSE <u>ACTIVATE FORMATION</u>	WELL PERMIT NO.	WELL LOCATION <u>sec 33-165-764</u>		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
500		1			MILEAGE 107	1	@	35	ML	6.00	210.00
501		1			ACID PUMP CHARGE	1	@			650.00	650.00
301		1			FE ACID W/NE ADDITIVES	750	gal	20	%	2.20	1650.00
221		1			LIQUID KIL	2	gal			25.00	50.00
230		1			SURF-3	2	gal			25.00	50.00
232		1			MUSAL	15	gal	2	%	18.00	270.00
235		1			INITI-1	2	gal			35.00	70.00
254		1			MICELL-1	2	gal			40.00	80.00

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 10 05 11 TIME SIGNED 1624 A.M. P.M.

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

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL	
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				30	30.00
WE UNDERSTOOD AND MET YOUR NEEDS?					
OUR SERVICE WAS PERFORMED WITHOUT DELAY?					
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				7.55	TAX 16.3%
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	3030.00
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					

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

SWIFT OPERATOR DUSTY D FULL APPROVAL _____

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 100511 PAGE NO. 1

CUSTOMER PAIDOMEND PETROLEUM WELL NO. #1 LEASE HOLICUM-HUXMAN JOB TYPE ACIDIZING FORMATION TICKET NO. 22325-

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1458							DN LOCATION DS'W SURFACE 45-75'-78' TMA PERMS 45-70'-72' Filter SPOT NONE 5/2 x 14# TREAT 45-78' CS 111,7032 B61
	1519	5	.1		✓		0	START PUMPING ACID
	1523	2	18		✓		0	DN KCL
		4.6	36		✓		0	DN FLUSH
		4.7	51		✓		0	
		4.7	66		✓		0	
		4.8	81		✓		0	
		4.7	96		✓		0	
	1547	4.6-2	111.75		✓		0	
		2	115.75		✓		0	4 Bbl Out
		2	118.75		✓		0	
		2	121.75		✓		0	0.3 Bbl Out
	1552	3	124		✓		0	
	1555	3	129.75		✓		400	LOADED
	1555	3-0	131.75		✓		400	ISIP
					✓		0AC	2 MIN
								REN DOWN
								TICKET
	1630							Job Completed
								THANK YOU DUSTY RUSSELL

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KCC WICHITA



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



Invoice

DATE	INVOICE #
10/4/2011	22322

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

RECEIVED
OCT 08 2011

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Horchem-Hu...	Ness	DS&W Well Servi...	Oil	Development	Acidize Formation	Dusty
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way				35	Miles	6.00	210.00
501D	Acid Pump Charge				1	Job	650.00	650.00
303 - 20%	MCA Acid				350	Gallons	2.25	787.50
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00
232	Musal ESA-64				7	Gallon(s)	18.00	126.00
235	INH.1 ESA-28				1	Gallon(s)	35.00	35.00
249	STR-1 (Pen 88)				1	Gallon(s)	40.00	40.00
	Subtotal							1,898.50
	Sales Tax Ness County						6.30%	0.00

RECEIVED
JAN 03 2012
KCC WICHITA

We Appreciate Your Business!

Total

\$1,898.50



CHARGE TO: PALOMINO PETROLEUM Co.
 ADDRESS _____
 CITY, STATE, ZIP CODE _____

RECEIVED
 JAN 03 2012
 KCC WICHITA

TICKET No 22322

PAGE 1 OF 1

SERVICE LOCATIONS 1. <u>NESS CITY, KS</u>	WELL/PROJECT NO. <u>#1</u>	LEASE <u>HORCHUM - Huxman</u>	COUNTY/PARISH <u>NESS Co.</u>	STATE <u>KS</u>	CITY <u>Utica KS</u>	DATE <u>10 04 11</u>	OWNER
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <u>DS & W</u>	RIG NAME/NO. <u>JEM</u>	SHIPPED VIA	DELIVERED TO <u>2W. RD B, 1 1/2 S.</u>	ORDER NO. <u>E-INTD</u>	
3.	WELL TYPE <u>OIL WELL</u>	WELL CATEGORY <u>DEVELOPMENT</u>	JOB PURPOSE <u>ACIDIZE FORMATION</u>	WELL PERMIT NO.	WELL LOCATION <u>sec. 33-165-266</u>		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
500		1			MILEAGE 107	1	@	35	mi	6.00	210.00
501		1			ACID Pump CHARGE	1	@			650.00	650.00
303		1			MCA ACID	350	gal	20	pts	2.25	787.50
221		1			LIQUID ILL	2	gal			25.00	50.00
232		1			MUSAL	7	gal	2	oz	18.00	126.00
235		1			INITI-B-1	1	gal			35.00	35.00
249		1			STR-1	1	gal			40.00	40.00

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 Buck Shaeber
 DATE SIGNED 10 04 11 TIME SIGNED 1430 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	<u>1898.50</u>
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	<u>1898.50</u>

SWIFT OPERATOR DUSTY D. FULK APPROVAL _____

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

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 10 04 11 PAGE NO. 7

CUSTOMER Palomero Petroleum WELL NO. #1 LEASE HORCHER-HUXMAN JOB TYPE ACIDIZING FORMATION TICKET NO. 22322

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1302							ON LOCATION DS & W SWABING
								CIBP 4600'
								YAW CIBP PERMS 4570-72
								FROTH TR 4575-78
								SPOT NONE
								5 1/2 x 14 # TREAT 4578'
								CS. 4578' 111.7052 Bbl
	1324	5	.1		✓		0	START PUMPING ACID
		2	8.5		✓		0	ON FRUSH PUMPING KCL H ₂ O
		4.8	26.5		✓		0	
		4.9	41.5		✓		0	
		4.9	56.5		✓		0	
		4.8	71.5		✓		0	
		5.0	86.5		✓		0	
		4.8	101.5		✓		0	
	1353	2.3	111.5		✓		0	
	1354	2.3	113		✓		0	0-VAC SLOWLY
		2.5	117.5		✓		200	
		2.70	118		✓		300	
		1.65	119		✓		450	
	1403	1.65-0	120.25		✓		500	TSEIP
							VAC	2 MEN
								REEL DOWN
								TICKET
	1430							JOB COMPLETED
								THANK YOU DUSTY RUSSELL

RECEIVED

IAN 03 2012

KCC WICHITA



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



Invoice

DATE	INVOICE #
9/30/2011	22318

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

RECEIVED
 OCT 05 2011

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Horchem-Hu...	Ness	DS&W Well Servi...	Oil	Development	Acidize Formation	Dusty
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way				35	Miles	6.00	210.00
501D	Acid Pump Charge				1	Job	650.00	650.00
303 - 20%	MCA Acid				250	Gallons	2.25	562.50
221	Liquid KCL (Clayfix)				1.5	Gallon(s)	25.00	37.50
232	Musal ESA-64				5	Gallon(s)	18.00	90.00
235	INH.1 ESA-28				1	Gallon(s)	35.00	35.00
249	STR-1 (Pen 88)				1	Gallon(s)	40.00	40.00
	Subtotal							1,625.00
	Sales Tax Ness County						6.30%	0.00

RECEIVED
 JAN 03 2012
 KCC WICHITA

We Appreciate Your Business!	Total	\$1,625.00
-------------------------------------	--------------	------------



CHARGE TO: PALOMED PETROLEUM
 ADDRESS: _____
 CITY, STATE, ZIP CODE: _____

TICKET
 No 22318

PAGE 1 OF 1

SERVICE LOCATIONS 1. <u>NESS CITY KS.</u>	WELL/PROJECT NO. <u>#1</u>	LEASE <u>HORCHEM-HUTMAN</u>	COUNTY/PARISH <u>NESS CO.</u>	STATE <u>KS</u>	CITY <u>UTICA KS</u>	DATE <u>093011</u>	OWNER
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <u>DS & W</u>	RIG NAME/NO. <u>JIM</u>	SHIPPED VIA	DELIVERED TO <u>2W. RD B, 1 1/2 S., E. INVO</u>	ORDER NO.	
3.	WELL TYPE <u>OIL WELL</u>	WELL CATEGORY <u>DEVELOPMENT</u>	JOB PURPOSE <u>ACTIVIZZ FORMATION</u>	WELL PERMIT NO.	WELL LOCATION <u>see 33-165-26w</u>		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
500		1			MILEAGE 107	1	@	35	ML	6.00	210.00
501		1			Acid Pump Charge	1	e			650.00	650.00
303		1			MCA ACID	250	gal	20	%	2.25	562.50
221		1			LIQUID KCL	1.5	gal			25.00	37.50
232		1			MUSAL	5	gal	2	%	18.00	90.00
235		1			INIT-B-1	1	gal			35.00	35.00
249		1			STR-1	1	gal			40.00	40.00

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 JAN 03 2012
 KCC WICHITA

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 093011 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
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			

PAGE TOTAL	1625.00
TOTAL	1625.00

7855 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 DUSTY D FULK

APPROVAL _____ Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 093011 PAGE NO. 7

CUSTOMER PALOMINO Petroleum WELL NO. #1 LEASE Horchem-Huxman JOB TYPE ACIDIZE FORMATION TICKET NO. 22318

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1258							ON LOCATION DS & W Full Swab
								TD 4610'
								PERFS 4604'-06'
								SPOT NONE
								5 1/2 x 14 # TREAT 4606'
								.0244 CS. 4606' 112.3864 Bbl
								Tb &
								TOTAL 112.3864 Bbl
	1314	5.5	.1	✓	✓	0	0	START PUMPING.
	1315	4	6	✓	✓	0	0	
		3.1	18	✓	✓	0	0	
		3.1	30	✓	✓	0	0	
		3.1	42	✓	✓	0	0	
		3.1	54	✓	✓	0	0	
		3.1	66	✓	✓	0	0	
		3.1	78	✓	✓	0	0	
		3.1	90	✓	✓	0	0	
		3.1	102	✓	✓	0	0	
	1348	3.1-0	110	✓	✓	0	0	D-VAC
	1350		111.25	✓	✓	0	0	LOADED
	1408		111.25	✓	✓	0	0	
	1408		111.25	✓	✓	250	250	STABILIZED
	1417		111.25	✓	✓	500	500	
	1426		111.25	✓	✓	750	750	
	1438		111.25	✓	✓	1000	1000	
	1455		111.25	✓	✓	500	500	CLOSED IN
								REN. DOWN
								TICKET
								JOB COMPLETED
								THANK YOU DUSTY & RUSSELL



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



Invoice

DATE	INVOICE #
9/13/2011	21095

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

RECEIVED • Acidizing
 SEP 15 2011 • Cement
 • Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Horchem Hu...	Ness	DS&W Well Servi...	Oil	Development	Cement Port Collar	Blaine
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				35	Miles	6.00	210.00
576D-D	Pump Charge - Port Collar				1	Job	1,250.00	1,250.00
330	Swift Multi-Density Standard (MIDCON II)				145	Sacks	16.50	2,392.50T
276	Flocele				50	Lb(s)	2.00	100.00T
290	D-Air				2	Gallon(s)	35.00	70.00T
104	5 1/2" Port Collar Tool Rental				1	Each	250.00	250.00T
581D	Service Charge Cement				225	Sacks	2.00	450.00
583D	Drayage				391.82	Ton Miles	1.00	391.82
	Subtotal							5,114.32
	Sales Tax Ness County						6.30%	177.19

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 JAN 03 2012
 KCC WICHITA

We Appreciate Your Business!

Total

\$5,291.51

JOB LOG

SWIFT Services, Inc.

DATE 13 SEP 11 PAGE NO.

CUSTOMER Palmino Petroleum WELL NO. #1 LEASE Horschem Huxman JOB TYPE cement port collar TICKET NO. 21095

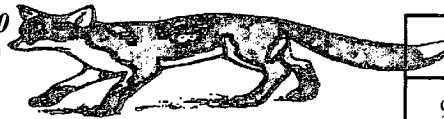
CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
								225 SMD cement w/ 7# floccle 2 3/4 x 5 1/2 port collar 2020'
	1100							on loc TRK 114
	1205					1000	1000	test to 1000 psi - held
	1210	3	3			350		inj RATE
	1215	3				200		Mix SMD cement @ 11.2 ppg
		3	6			200		circulate fluid to pit
	1240	3	7 1/2			450		cement to surface { 145 sk mixed 20 to pit
		3	7			450		pump 7 bbl H ₂ O
								close PORT COLLAR
	1300					1000	1000	test to 1000 psi - held
	1305		20					Reverse oct 2 cement flags
	1310							walk truck
								RECEIVED JAN 03 2012
								Back up
	1330							job complete
								KCC WICHITA
								Thanks Blaine, Lake & Dave

SWIFT



Services, Inc.

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



Invoice

DATE	INVOICE #
9/10/2011	20346

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

RECEIVED
SEP 13 2011

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Horchem-Hu...	Ness	Mallard JV	Oil	Development	LongString	Nick
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				35	Miles	6.00	210.00
578D-L	Pump Charge - Long String - 4660 Feet				1	Job	1,500.00	1,500.00
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00T
281	Mud Flush				500	Gallon(s)	1.25	625.00T
290	D-Air				2	Gallon(s)	35.00	70.00T
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				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
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00T
281	Mud Flush				500	Gallon(s)	1.25	625.00T
325	Standard Cement				100	Sacks	13.50	1,350.00T
330	Swift Multi-Density Standard (MIDCON II)				125	Sacks	16.50	2,062.50T
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
285	CFR-1				50	Lb(s)	4.00	200.00T
325	Standard Cement				100	Sacks	13.50	1,350.00T
330	Swift Multi-Density Standard (MIDCON II)				100	Sacks	16.50	1,650.00T
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
285	CFR-1				50	Lb(s)	4.00	200.00T
581D	Service Charge Cement				200	Sacks	2.00	400.00
583D	Drayage				355	Ton Miles	1.00	355.00
419-5	5 1/2" Rotating Head Rental				1	Each	200.00	200.00T
580	Additional Hours (If Circulate More Than 1 Hour)				5	Hours	200.00	1,000.00
581D	Service Charge Cement				225	Sacks	2.00	450.00
583D	Drayage				397.5	Ton Miles	1.00	397.50

RECEIVED

We Appreciate Your Business!

Total

JAN 03 2012

KCC WICHITA

SWIFT



Services, Inc.

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



Invoice

DATE	INVOICE #
9/10/2011	20346

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

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Horchem-Hu...	Ness	Mallard JV	Oil	Development	LongString	Nick
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
	Subtotal							17,945.00
	Sales Tax Ness County						6.30%	858.85

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JAN 03 2012
KCC WICHITA

We Appreciate Your Business!	Total	\$18,803.85
-------------------------------------	--------------	-------------



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

RECEIVED
 JAN 03 2012
 KCC WICHITA

TICKET
 20346

PAGE 1 OF 2

SERVICE LOCATIONS 1. <u>Hays, Ks.</u> 2. <u>Ness City, Ks.</u> 3. 4.	WELL/PROJECT NO. <u>#1</u>	LEASE <u>Horchen-Hugman</u>	COUNTY/PARISH <u>Ness</u>	STATE <u>Ks</u>	CITY	DATE <u>9-10-11</u>	OWNER <u>same</u>
TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <u>Mallard Dr/g</u>	RIG NAME/NO.	SHIPPED VIA <u>ct</u>	DELIVERED TO <u>Location</u>	ORDER NO.		
WELL TYPE <u>oil</u>	WELL CATEGORY <u>Development</u>	JOB PURPOSE <u>Longstring</u>	WELL PERMIT NO.	WELL LOCATION			
REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	DF		QTY.	U/M	QTY.	U/M	
575		1			MILEAGE #111	35	mi	6	00	210 00
578		1			Pump Charge (Longstring)	1	ea	4660	00	1500 00
221		1			KCL	2	gal	25	00	50 00
281		1			Mud Plush	500	gal	1	25	625 00
290		1			D-Air	2	gal	35	00	70 00
402		1			Centralizers	10	ea	5 1/2	00	700 00
403		1			Baskets	3	ea	250	00	750 00
404		1			Part Cellar	1	ea	2400	00	2400 00
406		1			LD Plug & Baffle	1	ea	250	00	250 00
407		1			Insert Float Shoe w/ Pill	1	ea	350	00	350 00
221		1			KCL	2	gal	25	00	50 00
281		1			Mud Plush	500	gal	1	25	625 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 9-10-11 TIME SIGNED 1235 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 1	7580 00
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				page 2	4855 00
WE UNDERSTOOD AND MET YOUR NEEDS?				subtotal	10365 00
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				Ness TAX 6.3%	858 85
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TOTAL	18,803 85
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO			
<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: [Signature]

Thank You!



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

TICKET CONTINUATION

TICKET No. 20348

CUSTOMER *Palomino Petroleum* WELL *Hurchea-Huxman #1* DATE *9-10-11* PAGE *2* OF *2*

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	DF			QTY.	U/M	QTY.	U/M	
325		2				Standard Cement	100	SKS	13.50		1350.00
330		2				SMD Cement	125	SKS	16.50		2062.50
276		2				Flocele	50	#	2.00		100.00
283		2				Salt	500	#	10%		100.00
284		2				Calseal	5	SKS	35.00		175.00
285		2				CFR-1	50	#	4.00		200.00
RECEIVED JAN 03 2012 KCC WICHITA											
325		2				Standard Cement	100	SKS	13.50		1350.00
330		2				SMD Cement	100	SKS	16.50		1650.00
276		2				Flocele	50	#	2.00		100.00
283		2				Salt	500	#	10%		100.00
284		2				Calseal	5	SKS	35.00		175.00
285		2				CFR-1	50	#	4.00		200.00
581		2				Cement Service Charge	200	SKS	2.00		400.00
583		2				Drayage	355	TN	1.00		355.00
419		1				Rotating Head	1	ea	200.00		200.00
580		1				Additional Hours	5	hrs	200.00		1000.00
581		2				SERVICE CHARGE	225	SKS	2.00		450.00
583		2				MILEAGE CHARGE	227.20	TOTAL WEIGHT	397.5	TON MILES	397.50

CONTINUATION TOTAL ~~4835.00~~ 4835.00

JOB LOG

SWIFT Services, Inc.

DATE 9-10-11 PAGE NO. 7

CUSTOMER Palomino Petroleum WELL NO. #1 LEASE Horches-Huxman JOB TYPE Longstring TICKET NO. 20346

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	2345							on loc w/FE
								RTD 4660'
								5 1/2" X 14" X 4643' X 33'
								Cent. 1, 3, 4, 5, 7, 8, 10, 11, 12, 62
								Basket 2, 6, 63
								P.C. 63 @ 2021'
	0110							Start FE
	0300							Break Circ.
	0410	2.5	7/5					Plug RH & MH 25, 15 sks SMD
	0420	4.5	0			100		Start Mud Flush
	0423	4.5	12/0			100		Start KCL Flush
	0428	5.5	20/0			100		Start Lead Cmt 85 sks SMD
	0435	5.5	40/0			100		Start Tail Cmt 100 sks EA-2
	0440		24					End Cmt
								Wash P & L
								Drop L.D. Plug
	0444	6.5	0			100		Start Displacement
	0458	6.5	90			100		Did not catch Cement/check circ
	0501	6.5	112.5			100		Plug did not Land
	0502		118					Shut down
								Csg is parted
								fish Csg
								Swap out joint
								Hook up & Break circulation
								Order Cement & flushes

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 JAN 03 2012
 KCC WICHITA

JOB LOG

SWIFT Services, Inc.

DATE 10-11 PAGE NO. 2

CUSTOMER Palomino Petroleum WELL NO. #1 LEASE Hershey-Huxman JOB TYPE Longstring TICKET NO. 20346

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
								Cement as loc.
	1140	4.5	0				150	Start Mudflush
		4.5	12/0				150	Start KCL Flush
		5.5	20/0				200	Start Lead Cement 100sks SMD
		5.5	40/0				200	Start Tail Cement 100sks EA 2
	1200		24					End Cement
								Wash P&L
								Drop LD Plug
	1204	6.5	0				150	Start Displacement
	1216	5	73				200	Catch Cement
	1222		112.5				800 200	Land Plug
								Release pressure
								Float Held

RECEIVED

JAN 03 2012

KCC WICHITA

Thank you
 Nick, Josh F., Brandon, David
 + Joe



24 S. Lincoln Street
 P.O. Box 31
 Russell, KS 67665-2906

Voice: (817) 546-7282
 Fax: (817) 246-3361

RECEIVED
 SEP 17 2011

INVOICE

Invoice Number: 128535
 Invoice Date: Sep 1, 2011
 Page: 1

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

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Palo	Horchem Huxman #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-10	Oakley	Sep 1, 2011	10/1/11

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	Chloride	58.20	291.00
158.00	SER	Handling	2.25	355.50
28.00	SER	Mileage 158 sx @ .11 per sk per mi	17.38	486.64
1.00	SER	Surface	1,125.00	1,125.00
56.00	SER	Pump Truck Mileage	7.00	392.00
1.00	SER	Manifold Rental	200.00	200.00
56.00	SER	Light Vehicle Mileage	4.00	224.00
1.00	CEMENTER	Andrew Forslund		
1.00	EQUIP OPER	Jerry Yates		
1.00	OPER ASSIST	Chris Helpingstine		

RECEIVED
 JAN 03 2012
 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

\$ 1115.08

ONLY IF PAID ON OR BEFORE
 Sep 26, 2011

Subtotal	5,575.39
Sales Tax	175.91
Total Invoice Amount	5,751.30
Payment/Credit Applied	
TOTAL	5,751.30

ALLIED CEMENTING CO., LLC. 043488

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

SERVICE POINT: Oakley

DATE	SEC	TWP	RANGE	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
9-1-11	33	16s	26w			6:00pm	6:30pm
Horchen LEASE Huxman	WELL # 1		LOCATION utica 2w 1 1/2s			COUNTY Ness	STATE KS
OLD OR NEW (Circle one)			ε into				

CONTRACTOR Mallard #1
 TYPE OF JOB Surface
 HOLE SIZE 12 1/4 T.D. 218'
 CASING SIZE 8 5/8 DEPTH 218'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. 15'
 PERFS. _____
 DISPLACEMENT 12.93 BBL

OWNER same
 CEMENT
 AMOUNT ORDERED 150 sks com
3% cc 2% gel

COMMON	150	@ 16.25	2437.50
POZMIX		@	
GEL	3	@ 21.25	63.75
CHLORIDE	5	@ 58.00	291.00
ASC		@	

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 HANDLING 185.52
 MILEAGE 1145K-mile
 @ 2.25
 355.84
 486.39
 TOTAL 3634.39

EQUIPMENT

PUMP TRUCK CEMENTER Andrew
 # 423-281 HELPER Jerry
 BULK TRUCK
 # 377 DRIVER Chris
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

Cement did circulate

SERVICE

DEPTH OF JOB	218'		
PUMP TRUCK CHARGE			1185.00
EXTRA FOOTAGE		@	
MILEAGE	28 x 2	@	392.00
MANIFOLD		@	200.00
Lite Vehicle	28 x 2	@	224.00

TOTAL 1941.00

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

PLUG & FLOAT EQUIPMENT

TOTAL _____

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

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

PRINTED NAME Lyle Juergensen
 SIGNATURE Lyle Juergensen

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

Lease Name Horchem-Huxman
Lease # 1
Legal Desc NW-SW-SE-NW Job Ticket 2165
Section 33 Range 26W
Township 16S
County Ness State KS
Drilling Cont Mallard, J.V., Inc. Rig #1

Comments

GENERAL INFORMATION

Test # 1 Test Date 9/6/2011
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 9.4 Viscosity 43.0
Filtrate 8.0 Chlorides 2400

Drill Collar Len 244.0
Wght Pipe Len 0

Formation Lansing "H-I"
Interval Top 4093.0 Bottom 4155.0
Anchor Len Below 62.0 Between 0
Total Depth 4155.0

Blow Type Weak surface blow throught the initial flow period. Very weak surface blow throughout the final flow period. Times: 30, 30, 30, 30.

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

Mileage 192 Approved By
Standby Time 0
Extra Equipmnt Jars & Safety joint
Time on Site 3:10 PM
Tool Picked Up 4:25 PM
Tool Layed Dwn 9:45 PM

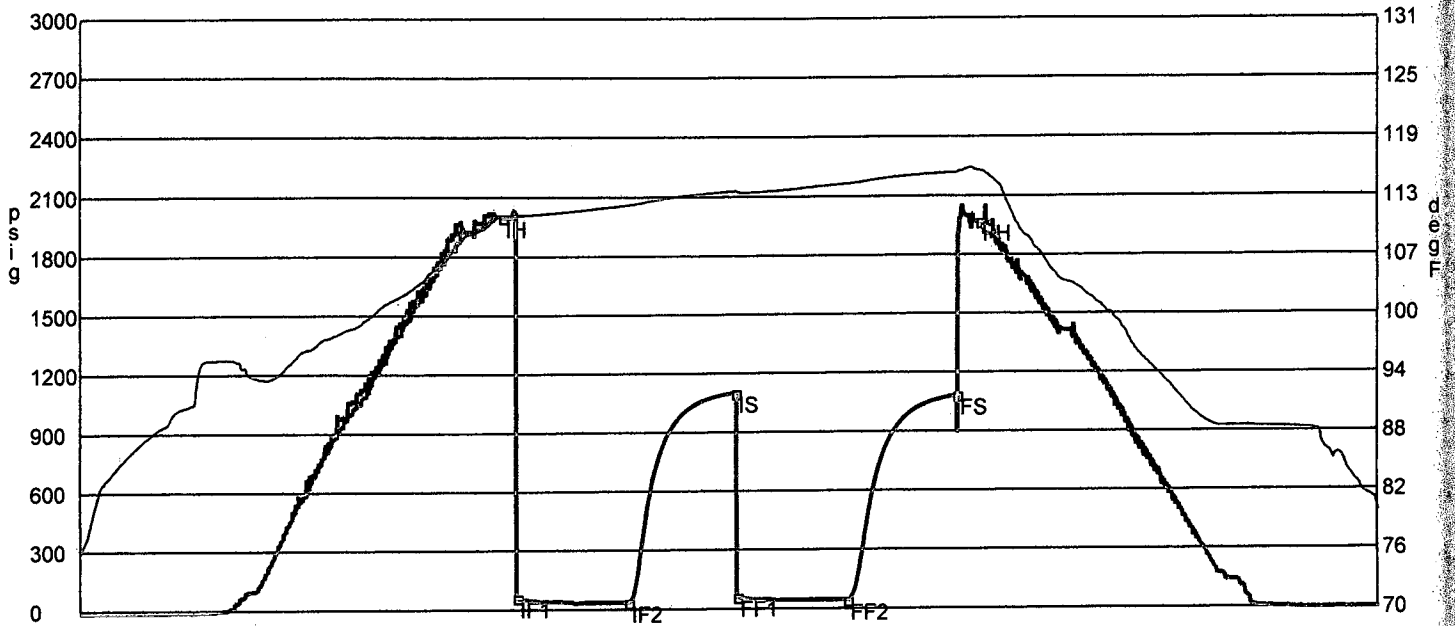
Elevation 2638.00 Kelley Bushings 2643.00

Start Date/Time 9/6/2011 3:53 PM
End Date/Time 9/6/2011 9:46 PM

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
30	Mud	0% 0ft	0% 0ft	0% 0ft	100% 30ft
DST Fluids 0					

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	Date	Time	Pressure	Temp	
IH	9/6/2011 5:47:20 PM	1.905556	1999.065	110.74	Initial Hydro-static
IF1	9/6/2011 5:51:10 PM	1.969444	60.731	110.924	Initial Flow (1)
IF2	9/6/2011 6:21:40 PM	2.477778	35.474	111.893	Initial Flow (2)
IS	9/6/2011 6:51:00 PM	2.966667	1099.371	113.287	Initial Shut-In
FF1	9/6/2011 6:51:30 PM	2.975	60.471	113.293	Final Flow (1)
FF2	9/6/2011 7:21:40 PM	3.477778	40.799	114.026	Final Flow (2)
FS	9/6/2011 7:51:40 PM	3.977778	1081.932	115.145	Final Shut-In
FH	9/6/2011 7:57:50 PM	4.080556	1968.232	115.353	Final Hydro-static

GAS FLOWS

<u>Min Into IFP</u>	<u>Min Into FFP</u>	<u>Gas Flows</u>	<u>Pressure</u>	<u>Choke</u>
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Company **Palomino Petroleum, Inc.**
 Address **4924 SE 84th St.**
 City/State/Zip **Newton, KS 67114**
 Attention **Nick Gerstner**

Lease Name **Horchem-Huxman**
 Lease # **1**
 Legal Desc **NW-SW-SE-NW** Job Ticket **2165**
 Section **33** Range **26W**
 Township **16S**
 County **Ness** State **KS**
 Drilling Cont **Mallard, J.V., Inc. Rig #1**

Comments

GENERAL INFORMATION

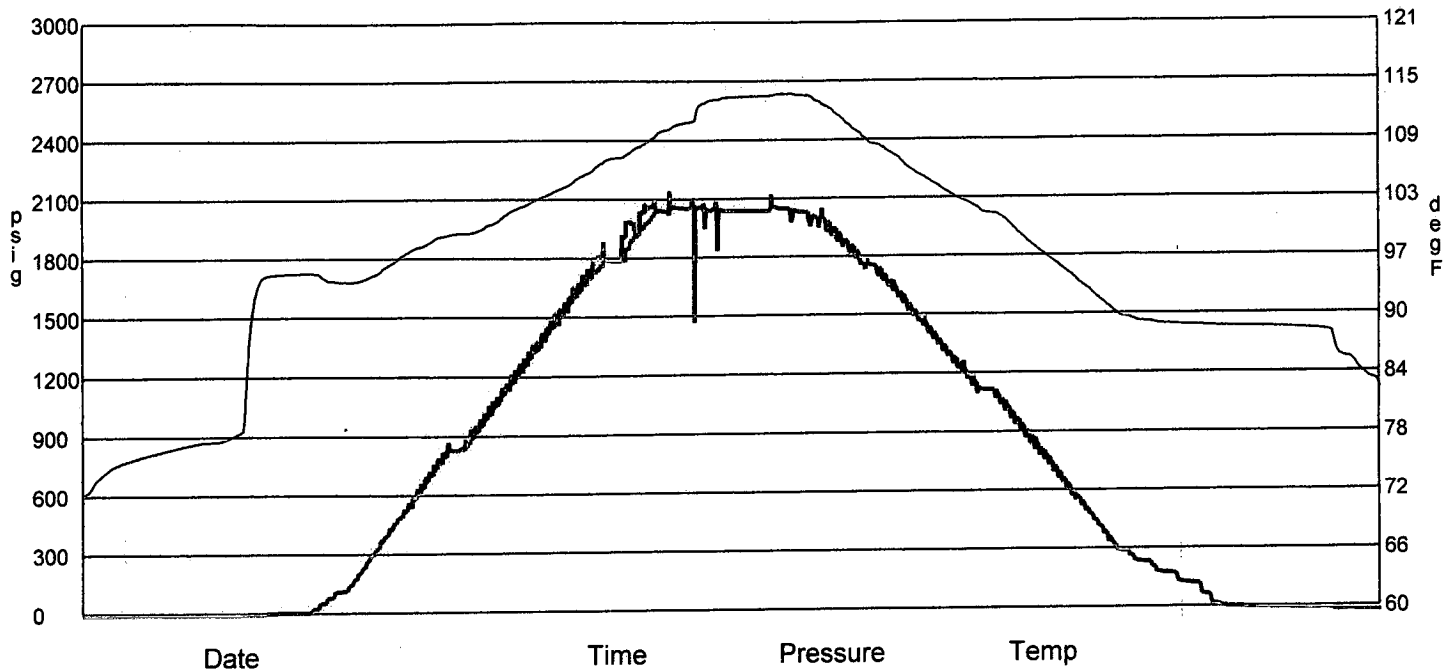
Well # **2** Test Date **9/7/2011**
 Operator **Tim Venters**
 Well Type **Conventional Bottom Hole**
 Status **Mis-run**
 Number of Packers **2.0** Packer Size **6 3/4**
 Mud Type **Gel Chem**
 Mud Weight **9.3** Viscosity **58.0**
 Filtrate **7.2** Chlorides **3900**
 Drill Collar Len **244.0**
 Weight Pipe Len **0**
 Formation **Lansing "L"**
 Interval Top **4202.0** Bottom **4259.0**
 Anchor Len Below **57.0** Between **0**
 Total Depth **4259.0**
 Flow Type **PACKER FAILURE.**

Chokes **3/4** Hole Size **7 7/8**
 Top Recorder # **W1119**
 Mid Recorder #
 Bottom Recorder # **13310**
 Mileage **64** Approved By
 Standby Time **0**
 Extra Equipmnt **Jars & Safety joint**
 Time on Site **12:10 PM**
 Tool Picked Up **1:40 PM**
 Tool Layed Dwn **5:40 PM**
 Elevation **2638.00** Kelley Bushings **2643.00**
 Start Date/Time **9/7/2011 1:06 PM**
 End Date/Time **9/7/2011 5:42 PM**

RECOVERY

Well Description	Gas	Oil	Water	Mud
OST Fluids	0			

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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 **Horchem-Huxman**
 Lease # **1**
 Legal Desc **NW-SW-SE-NW** Job Ticket **2165**
 Section **33** Range **26W**
 Township **16S**
 County **Ness** State **KS**
 Drilling Cont **Mallard, J.V., Inc. Rig #1**

Comments

GENERAL INFORMATION

Test # **3** Test Date **9/9/2011**
 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 **9.6** Viscosity **50.0**
 Filtrate **8.4** Chlorides **4200**
 Drill Collar Len **244.0**
 Wght Pipe Len **0**

Chokes **3/4** Hole Size **7 7/8**
 Top Recorder # **W1119**
 Mid Recorder #
 Bott Recorder # **13310**
 Mileage **64** Approved By
 Standby Time **0**
 Extra Equipmnt **Jars & Safety joint**
 Time on Site **10:00 PM**
 Tool Picked Up **11:15 PM**
 Tool Layed Dwn **5:30 AM**
 Elevation **2638.00** Kelley Bushings **2643.00**

Formation **Mississippian**
 Interval Top **4553.0** Bottom **4576.0**
 Anchor Len Below **23.0** Between **0**
 Total Depth **4576.0**

Start Date/Time **9/8/2011 10:43 PM**
 End Date/Time **9/9/2011 5:34 AM**

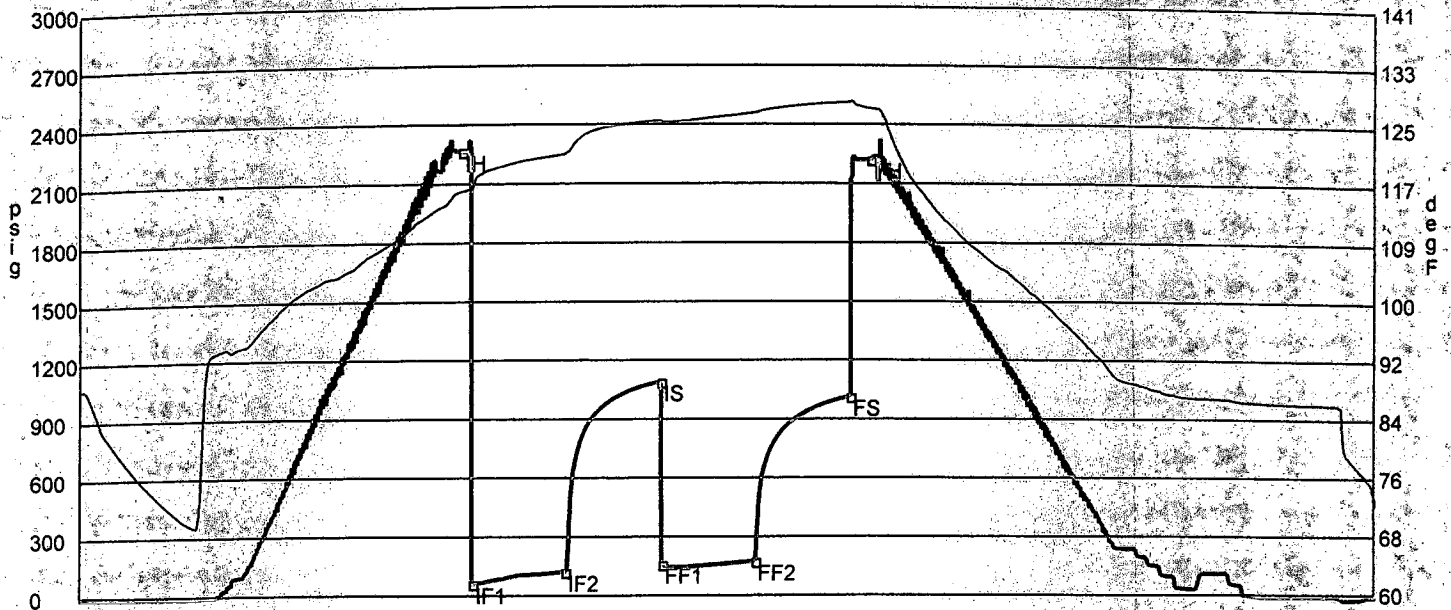
Weak 1/4 inch blow at the start of the intial flow period, building, reaching the bottom of the bucket in 13 minutes. Weak surface blow back at the start of the initial shut-in period, building to 2 1/2 inches. Fairly strong 2 inch blow at the start of the final flow period, building, reaching the bottom of the bucket in 9 minutes. Weak surface blow back at the start of the final shut-in period, building to 1 inch. Times: 30, 30, 30. Oil Gravity: 39.

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
535	Gas in Pipe	100% 535ft	0% 0ft	0% 0ft	0% 0ft
255	Gassy oil	2% 5.1ft	98% 249.9ft	0% 0ft	0% 0ft
40	Gassy, slight oil cut mud	5% 2ft	15% 6ft	0% 0ft	80% 32ft
110	Gassy, mud cut oil	20% 22ft	55% 60.5ft	0% 0ft	25% 27.5ft
60	Heavy mud cut oil	0% 0ft	60% 36ft	0% 0ft	40% 24ft

DST Fluids **0**

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	Date	Time	Pressure	Temp	
IH	9/9/2011 12:43:50 AM	2.013889	2263.433	115.664	Initial Hydro-static
IF1	9/9/2011 12:47:10 AM	2.069444	59.957	115.95	Initial Flow (1)
IF2	9/9/2011 1:16:40 AM	2.561111	121.987	120.732	Initial Flow (2)
IS	9/9/2011 1:47:00 AM	3.066667	1089.676	125.301	Initial Shut-In
FF1	9/9/2011 1:47:30 AM	3.075	159.642	125.182	Final Flow (1)
FF2	9/9/2011 2:17:00 AM	3.566667	173.774	126.403	Final Flow (2)
FS	9/9/2011 2:47:10 AM	4.069444	1013.895	127.871	Final Shut-In
FH	9/9/2011 2:53:40 AM	4.177778	2220.66	127.018	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

RECEIVED
 JAN 03 2012
 KCC WICHITA