

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

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 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 #: _____
9/26/11 10/3/11 10/3/11
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 135-25303-0000
Spot Description: _____
NW SW SW SE Sec. 5 Twp. 17 S. R. 25 East West
612 Feet from North / South Line of Section
2,565 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Ness
Lease Name: Peach Grove Well #: 1
Field Name: None (Wildcat)
Producing Formation: Mississippian
Elevation: Ground: 2522 Kelly Bushing: 2532
Total Depth: 4571 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 225 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: 1868 Feet
If Alternate II completion, cement circulated from: 1868
feet depth to: surface w/ 160 sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content: _____ ppm Fluid volume: _____ bbls
Dewatering method used: _____
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License #: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Permit #: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

AFFIDAVIT

I am the affiant and I hereby certify that all requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.
Signature: Klee R. Watchous
Title: President Date: 1/26/12

KCC Office Use ONLY

Letter of Confidentiality Received **RECEIVED**
Date: _____
 Confidential Release Date: _____ **JAN 27 2012**
 Wireline Log Received
 Geologist Report Received **KCC WICHITA**
 UIC Distribution
ALT I II III Approved by: Dlg Date: 1/30/12

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

Sec. 5 Twp. 17 S. R. 25 East West County: Ness

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

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <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: Radiation Guard	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Top</th> <th style="text-align: left;">Datum</th> </tr> </thead> <tbody> <tr> <td>Anhy.</td> <td>1888</td> <td>(+ 644)</td> </tr> <tr> <td>Base Anhy.</td> <td>1918</td> <td>(+ 614)</td> </tr> <tr> <td>Heebner</td> <td>3830</td> <td>(-1298)</td> </tr> <tr> <td>Lansing</td> <td>3867</td> <td>(-1335)</td> </tr> <tr> <td>Stark</td> <td>4121</td> <td>(-1589)</td> </tr> <tr> <td>BKC</td> <td>4182</td> <td>(-1650)</td> </tr> <tr> <td>Marmaton</td> <td>4234</td> <td>(-1702)</td> </tr> </tbody> </table>	Name	Top	Datum	Anhy.	1888	(+ 644)	Base Anhy.	1918	(+ 614)	Heebner	3830	(-1298)	Lansing	3867	(-1335)	Stark	4121	(-1589)	BKC	4182	(-1650)	Marmaton	4234	(-1702)
Name	Top	Datum																							
Anhy.	1888	(+ 644)																							
Base Anhy.	1918	(+ 614)																							
Heebner	3830	(-1298)																							
Lansing	3867	(-1335)																							
Stark	4121	(-1589)																							
BKC	4182	(-1650)																							
Marmaton	4234	(-1702)																							

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#	225'	Common	160	2% gel, 3% c.c.
Production	7 7/8"	5 1/2"	14#	4568'	SMD	75	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 <i>(Amount and Kind of Material Used)</i>	Depth
4	4499-4505	Acidized 375 gal. 20% MCA, 22% ms., followed by 92 bbls. saltwater	
		Acidized 750 gal. 20% MCA, 3% ms.	

TUBING RECORD:	Size: <u>2 7/8"</u>	Set At: <u>4537'</u>	Packer At:	Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No
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Date of First, Resumed Production, SWD or ENHR. <u>11/22/11</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>21%</u> <u>20</u>	Gas Mcf	Water Bbls. <u>79%</u> <u>75</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> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTEREST RECEIVED JAN 27 2012
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LOGS

Pawnee	4311	(-1779)
Ft. Scott	4385	(-1853)
Cherokee	4410	(-1878)
Miss.	4482	(-1960)
LTD	4571	(-2039)

RECEIVED
JAN 27 2012
KCC WICHITA



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

RECEIVED

Date: 9/30/2011
 Invoice # 5001

P.O.#:

Due Date: 10/30/2011

Division: Russell

Invoice

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

Reference:
 PEACH GROVE 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				
Pump Truck Mileage-Job to Nearest Camp	28	\$ 303.39	No				
Calcium Chloride	5	\$ 204.44	Yes				
Bulk Truck Mileage-Job to Nearest Bulk Plant	28	\$ 177.54	No				
Premium Gel (Bentonite)	3	\$ 53.03	Yes				

Invoice Terms:

Net 30

SubTotal: \$ 4,059.72
 Discount Available ONLY if Invoice is Paid & Received
 within listed terms of invoice: \$ (608.96)

SubTotal for Taxable Items: \$ 1,907.67
 SubTotal for Non-Taxable Items: \$ 1,543.09

6.30% Ness County Sales Tax

Total: \$ 3,450.77
 Tax: \$ 120.18

Thank You For Your Business!

Amount Due: \$ 3,570.95
Applied Payments:
Balance Due: \$ 3,570.95

Past Due Invoices are subject to a service charge (annual rate of 24%)
 This does not include any applicable taxes unless it is listed.
 ©2008-2013 Straker Investments, LLC. All rights reserved.

RECEIVED
 JAN 27 2012
 KCC WICHITA

QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025

Home Office P.O. Box 32 Russell, KS 67069

No. 5001

Cell 785-324-1041

Date	9-26-11	Sec.	5	Twp.	17	Range	25	County	Miss	State	Kansas	On Location		Finish	10:30 PM					
Lease	frank Crave	Well No.	1			Location	Utica 3E 3S W1/4													
Contractor	Ticken Drilling			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.	230																
Csg.	3 1/2 2 3/8		Depth	230																
Tbg. Size				Street																
Tool				City State																
Cement Left in Csg.	10 1/2			Shoe Joint			The above was done to satisfaction and supervision of owner agent or contractor.													
Meas Line				Displace			13 3/4													
EQUIPMENT												3 1/2 CC 2 3/8 Csg								
Pumptrk	5	No.	Cementer	Helper Steve												Common	160			
Bulktrk	8	No.	Driver	Chris												Poz. Mix				
Bulktrk		No.	Driver	Brian												Gel.	3			
JOB SERVICES & REMARKS												Calcium				5				
Remarks:	Hulls																			
Rat Hole	Salt																			
Mouse Hole	Flowseal																			
Centralizers	Kol-Seal																			
Baskets	Mud CLR 48																			
D/V or Port Collar	CFL-117 or CD110 CAF 38																			
	Sand																			
	Handling															158				
	Mileage																			
FLOAT EQUIPMENT																				
	Guide Shoe																			
	Centralizer																			
	Baskets																			
	AFU Inserts																			
	Float Shoe																			
	Latch Down																			
	Pumptrk Charge															Surface				
	Mileage															28				
Signature												Tax								
Signature												Discount								
Signature												Total Charge								

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JAN 27 2012

KCC WICHITA

RECEIVED

Invoice



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



DATE	INVOICE #
10/25/2011	22458

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

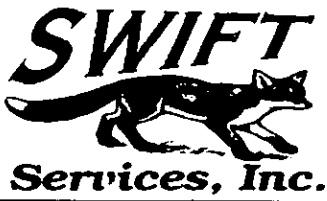
- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Peach Grove	Ness	DS&W Well Servi...	Oil	Development	Acidize Formation	Jason

PRICE REF.	DESCRIPTION	QTY	UM	UNIT PRICE	AMOUNT
502	Delivery Charge (4 Hour Minimum)	2	Hours	70.00	140.00
303 - 20%	MCA Acid	375	Gallons	2.25	843.75
235	INH.1 ESA-28	1	Gallon(s)	35.00	35.00
232	Musal ESA-64	7.5	Gallon(s)	18.00	135.00
221	Liquid KCL (Clayfix)	1	Gallon(s)	25.00	25.00
	Subtotal				1,178.75
	Sales Tax Ness County			6.30%	0.00

RECEIVED
JAN 27 2012

KCC WICHITA
\$1,178.75



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

TICKET

PAGE 1
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 OWNER
 JAN 27 2012
 KCC WICHITA

SERVICE LOCATIONS
 1. NESS CITY, KS. WELL/PROJECT NO. _____ LEASE PEACHBROVE #1 COUNTY/PARISH NESS STATE KS. CITY UTICA, KS. DATE 25 OCT 11
 2. TICKET TYPE SERVICE SALES CONTRACTOR DS & W WELL SERV. RIG NAME/NO. _____ SHIPPED VIA _____ DELIVERED TO LOCATION ORDER NO. _____
 3. WELL TYPE OIL WELL CATEGORY DEVELOPMENT JOB PURPOSE ACIDIZE FORMATION WELL PERMIT NO. _____ WELL LOCATION 3E225, W FIB
 4. REFERRAL LOCATION _____ INVOICE INSTRUCTIONS _____

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	DF			U/M			
502					MILEAGE #110 DELIVERY CHARGE	2	HR		70 ⁰⁰	140 ⁰⁰
303					MCA ACID	375	gal	20%	2 ²⁵	843 ⁷⁵
235					IWAIB-1	1	gal		35 ⁰⁰	35 ⁰⁰
232					MURSOX	7 1/2	gal		18 ⁰⁰	135 ⁰⁰
221					LIQUID KCL	1	gal		25 ⁰⁰	25 ⁰⁰

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

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

x Paul Shepherd
 DATE SIGNED 25 OCT 11 TIME SIGNED 1630 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	1178 ⁷⁵
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?				NESS TAX 6.3%	
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES <input type="checkbox"/> NO			TOTAL	1178 ⁷⁵
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					



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



Invoice

DATE	INVOICE #
10/12/2011	20383

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

RECEIVED

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30		Peach Grove	Ness	DS&W Well Servi...	Oil	Development	Cement Port Collar	Don
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				25	Miles	6.00	150.00
576D-D	Pump Charge - Port Collar - 1865 Feet				1	Job	1,250.00	1,250.00
290	D-Air				2	Gallon(s)	35.00	70.00T
104	5 1/2" Port Collar Tool Rental				1	Each	250.00	250.00T
330	Swift Multi-Density Standard (MIDCON II)				160	Sacks	16.50	2,640.00T
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							5,110.00
	Sales Tax Ness County						6.30%	192.78
							RECEIVED	
							JAN 27 2012	
							KCC WICHITA	
							Total:	\$5,302.78



CHARGE TO: *Yelomias Petroleum*
 ADDRESS:
 CITY, STATE, ZIP CODE:

TICKET

PAGE 1 OF 1
 RECEIVED
 JAN 27 2012
 KCC WICHITA

SERVICE LOCATIONS 1. <i>Hayes, Ks</i>	WELL/PROJECT NO. #	LEASE <i>Rock Grove</i>	COUNTY/PARISH <i>Ness</i>	STATE <i>Ks</i>	CITY	DATE <i>10-12-11</i>	OWNER
2. <i>Ness City, Ks</i>	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <i>DSTW</i>	RIG NAME/NO.	SHIPPED VIA <i>CT</i>	DELIVERED TO <i>SW/Arnold, Ks</i>	ORDER NO.	
3.	WELL TYPE <i>oil</i>	WELL CATEGORY <i>Wildcat</i>	JOB PURPOSE <i>Cut 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			U/M			
<i>575</i>		<i>1</i>			<i>MILEAGE #113</i>	<i>25</i>	<i>MI</i>	<i>600</i>		<i>150.00</i>
<i>576 D</i>		<i>1</i>			<i>Pump charge - cut Port Collar</i>	<i>1</i>	<i>per</i>	<i>1250.00</i>		<i>1250.00</i>
<i>290</i>		<i>1</i>			<i>D.Air</i>	<i>2</i>	<i>gal</i>	<i>35.00</i>		<i>70.00</i>
<i>104</i>		<i>2</i>			<i>Port Collar Tool Rental</i>	<i>1</i>	<i>per</i>	<i>250.00</i>		<i>250.00</i>
<i>330</i>		<i>2</i>			<i>5MD Cement</i>	<i>160</i>	<i>SKS</i>	<i>16.50</i>		<i>2640.00</i>
<i>276</i>		<i>2</i>			<i>Flocele</i>	<i>50</i>	<i>lbs</i>	<i>2.00</i>		<i>100.00</i>
<i>71</i>		<i>2</i>			<i>Cement - Service Charge</i>	<i>200</i>	<i>SKS</i>	<i>2.00</i>		<i>400.00</i>
<i>582</i>		<i>2</i>			<i>Drayage - minimum Chg.</i>	<i>1</i>	<i>per</i>	<i>850.00</i>		<i>850.00</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 *R.S.*, by *Don L*
 DATE SIGNED TIME SIGNED A.M. P.M.

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

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL	
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	<i>5302.78</i>

Ness
 TAX
6.3% *192.78*

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

SWIFT OPERATOR
Don Leeman

APPROVAL

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 10-12-11 PAGE NO. 9

CUSTOMER Palomias Pet WELL NO. _____ LEASE Racco Grove JOB TYPE Cont P.C. TICKET NO. 20383

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	10:45							Dr location
								Set up Tts
								P.C. @ 1865'
	11:30					1000	1000	Tst P.C closed - OK
		3	20			C	400	Open P.C - est. Rate
								Next to Tts.
	12:00	3				400		Start SMD cement @ 11.2 ¹ / ₉₉₁ 295/91
						200		Have bleed on 8 ⁵ / ₈ Ann X 5 ¹ / ₂
			22					Have mud Return
			25			450		Cont cir @ 135 STS
			82					Tail in 25 STS @ 13 ⁵ / ₉₁
								Fin out - Close P.C
						C	1000	Tst closed - OK
		2 1/2	30					Run 5 Tts Tts
								Run-out 2 Alogs - Clean
								Job complete
								Washup & Leak up
	1400							Thanks Man, Brian & Leane

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 JAN 27 2012
 KCC WICHITA



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



Invoice

DATE	INVOICE #
10/3/2011	22365

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

RECEIVED

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Peach Grove	Ness	Pickrell Drilling R...	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 - 4568 Feet				1	Job	1,500.00	1,500.00
402-5	5 1/2" Centralizer				5	Each	70.00	350.00T
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
409-5	5 1/2" Turbolizer				4	Each	90.00	360.00T
281	Mud Flush				500	Gallon(s)	1.25	625.00T
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00T
276	Flocele				57	Lb(s)	2.00	114.00T
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)				125	Sacks	16.50	2,062.50T
581D	Service Charge Cement				225	Sacks	2.00	450.00
583D	Drayage				285.83	Ton Miles	1.00	285.83
	Subtotal							11,767.33
	Sales Tax Ness County						6.30%	591.03

RECEIVED
 \$12,358.36
 JAN 27 2012

KCC WICHITA



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

TICKET
 RECEIVED
 PAGE 1 OR
 JAN 27 2012
 KCC WICHITA

SERVICE LOCATIONS: 1. NESS CITY, KS
 WELL/PROJECT NO.:
 LEASE: PEACH GROVE #1
 COUNTY/PARISH: NESS
 STATE: KS
 CITY: ARNOLD, KS
 DATE: 30 OCT 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: 5 1/2 LONG STRING
 WELL PERMIT NO.:
 WELL LOCATION: W To 10 mile RD, 3 1/2 S, W/N
 REFERRAL LOCATION:
 INVOICE INSTRUCTIONS:

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	DF			U/M			
575		1			MILEAGE #110	25	MIL	6.00		150.00
578		1			Pump CHARGE	1	WELL	1500.00	4568 FT	1500.00
402		1			CENTRALIZERS	5	EA	70.00		350.00
403		1			CEMENT BASKET	3	EA	250.00		750.00
404		1			PORT COLLAR	1	EA	2400.00	18168 FT.	2400.00
406		1			LATCH DOWN PLUG & BAFFLE	1	EA	250.00		250.00
407		1			INSERT FLD. SHOE W/AUTO FILL	1	EA	350.00		350.00
409		1			TURBOLIZER	4	EA	90.00		360.00
281		1			MUD FLUSH	500	gal	1.25		625.00
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 Reck Schreder
 DATE SIGNED: 30 OCT 11 TIME SIGNED: 1730 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	AMOUNT
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				1	6785.00
WE UNDERSTOOD AND MET YOUR NEEDS?				2	4982.33
OUR SERVICE WAS PERFORMED WITHOUT DELAY?					
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?					
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO			
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL	12,358.36

subtotal: 11,767.33
 NESS TAX 6.3%: 591.03

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

SWIFT OPERATOR: Jan Katt APPROVAL:
 Thank You!



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

TICKET CONTINUATION

TICKET No. 22365

CUSTOMER **ALDINO PETROLEUM** WELL **PEACH GROVE #1** DATE **30 OCT 11** PAGE **2** OF **2**

PRICE REFERENCE	SECONDARY REFERENCE PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		UM	QTY.	UM	UNIT PRICE	AMOUNT
		LOC	ACCT	DEF									
276		1				FLOCELE	57	lbs			2.00	114.00	
283		1				SALT	500	lbs			20.00	100.00	
284		1				CALSEAL	5	sk			35.00	175.00	
286		1				HALAD-1	50	lbs			7.50	375.00	
290		1				D-AIR	2	gal			35.00	70.00	
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325		1				STANDARD CEMENT	100	sk			13.50	1350.00	
330		1				SWIFT MULTI DENSITY	125	sk			16.50	2062.50	
581		1				SERVICE CHARGE					2.00	450.00	
583		1									1.83	285.83	

MILEAGE CHARGE 22867
TOTAL WEIGHT 285.83
LOADED MILES 25
TON MILES 285.83

CONTINUATION TOTAL 4982.33

JOB LOG

SWIFT Services, Inc.

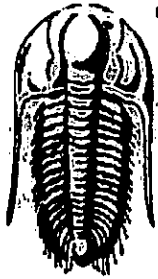
DATE 3 OCT 11 PAGE NO. 1

CUSTOMER **WALDMIND PETROLEUM** WELL NO. LEASE **PEACH GROVE #1** JOB TYPE **5 1/2" LONGSTRING** TICKET NO. **22365**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1210							ON LOCATION
	1320							START PIPE 5 1/2" - 14#
								RTD @ LID @
								SHOE ST. 25'
								CENTRALIZERS 1, 3, 4, 6, 9, 13, 17, 21, 64
								BASKETS 2, 7, 65
								PORT COLLAR TOP OF #65 @ 1868
	1513							DROP BALL CIRCULATE
	1616	6	12		7		300	Pump 500 gal MUD FLUSH
	1618	6	20		7		300	Pump 20 BAR KCL FLUSH
	1623		7.5					PLUG RH-MH (3DSX-20SX)
	1626	4	29		7			MIX 75SX SMD
		4	24		7			MIX 100SX EA2
	1646							WASH OUT PUMPING LINES.
	1648	6			7			RELEASE PLUG START DISPLACEMENT
	1708		111		7		1500	PLUG DOWN PSI UP LATCH PLUG IN
	1711							RELEASE PRESSURE - DRY
	1712							WASH TRUCK
	1730							JOB COMPLETE
								THANKS #110
								JASON JEFF DAVID

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**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Inc**

4924 SE 84th ST.
Newton, KS 67114 + 8827

ATTN: Nick Gerstner

Peach Grove #1

5-17s-25w-Ness,KS

Start Date: 2011.10.01 @ 18:37:00

End Date: 2011.10.02 @ 01:14:00

Job Ticket #: 44549 DST #: 1

Trilobite Testing, Inc

PO Box 362 Hays, KS 67601

ph: 785-625-4778 fax: 785-625-5620

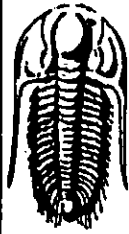
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Printed: 2011.10.10 @ 15:15:11 **RECEIVED**

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Palomino Petroleum Inc 5-17s-25w-Ness,KS Peach Grove #1 DST # 1 Fort Scott 2011.10.01



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

Palomino Petroleum Inc
4924 SE 84th ST.
New ton, KS 67114 + 8827
ATTN: Nick Gerstner

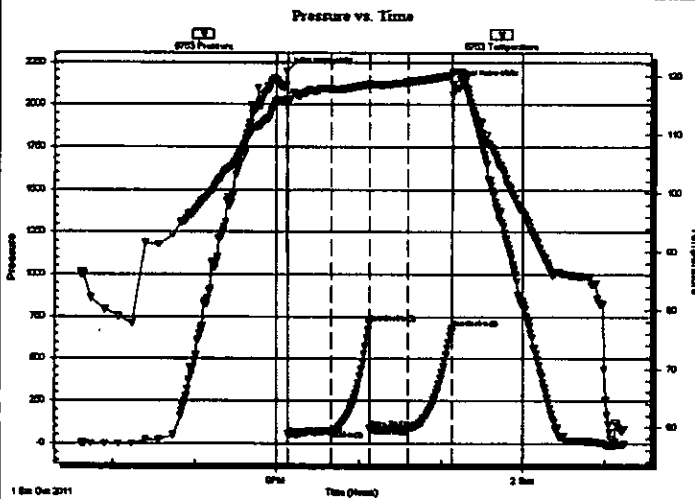
5-17s-25w Ness,KS
Peach Grove #1
Job Ticket: 44549 **DST#: 1**
Test Start: 2011.10.01 @ 18:37:00

GENERAL INFORMATION:

Formation: **Fort Scott**
Deviated: **No** Whipstock: ft (KB)
Time Tool Opened: 21:08:30
Time Test Ended: 01:14:00
Test Type: Conventional Bottom Hole (Initial)
Tester: Cody Bloedorn
Unit No: 47
Interval: **4365.00 ft (KB) To 4427.00 ft (KB) (TVD)**
Reference Elevations: 2532.00 ft (KB)
Total Depth: 4427.00 ft (KB) (TVD) 2522.00 ft (CF)
Hole Diameter: 7.88 inches Hole Condition: Good KB to GR/CF: 10.00 ft

Serial #: 6753 **Inside**
Press@RunDepth: 91.18 psig @ 4404.00 ft (KB) Capacity: 8000.00 psig
Start Date: 2011.10.01 End Date: 2011.10.02 Last Calib.: 2011.10.02
Start Time: 18:37:05 End Time: 01:13:59 Time On Btm: 2011.10.01 @ 21:07:30
Time Off Btm: 2011.10.01 @ 23:09:00

TEST COMMENT: 30 - IF- 5" blow
30 - IS- No blow back
30 - FF- 7" blow
30 - FS- No blow back



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2197.40	115.91	Initial Hydro-static
1	52.50	115.58	Open To Flow (1)
32	70.93	117.71	Shut-In(1)
60	713.00	118.52	End Shut-In(1)
61	91.14	118.33	Open To Flow (2)
89	91.18	118.92	Shut-In(2)
121	685.91	120.12	End Shut-In(2)
122	2121.04	120.65	Final Hydro-static

Recovery

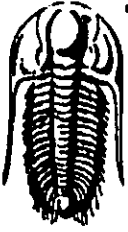
Length (ft)	Description	Volume (bbl)
62.00	GOCM, 20%O, 30%M, 50%G	0.30
62.00	GVSO CM, 5%G, 5%O, 90%M	0.30

Gas Rates

Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)

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**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum Inc
4924 SE 84th ST.
New ton, KS 67114 + 8827

ATTN: Nick Gerstner

5-17s-25w Ness,KS
Peach Grove #1
Job Ticket: 44549 DST#: 1
Test Start: 2011.10.01 @ 18:37:00

Tool Information

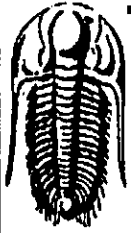
Drill Pipe:	Length: 4239.00 ft	Diameter: 3.80 inches	Volume: 59.46 bbl	Tool Weight: 2500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: 0.00 inches	Volume: 0.00 bbl	Weight set on Packer: 25000.00 lb
Drill Collar:	Length: 124.00 ft	Diameter: 2.25 inches	Volume: 0.61 bbl	Weight to Pull Loose: 56000.00 lb
			Total Volume: 60.07 bbl	Tool Chased 0.00 ft
Drill Pipe Above KB:	26.00 ft			String Weight: Initial 52000.00 lb
Depth to Top Packer:	4365.00 ft			Final 52000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	62.00 ft			
Tool Length:	90.00 ft			
Number of Packers:	2	Diameter: 6.75 inches		

Tool Comments:

Tool Description	Length (ft)	Serial No.	Position	Depth (ft)	Accum. Lengths
Change Over Sub	1.00			4338.00	
Shut In Tool	5.00			4343.00	
Hydraulic tool	5.00			4348.00	
Jars	5.00			4353.00	
Safety Joint	2.00			4355.00	
Packer	5.00			4360.00	28.00 Bottom Of Top Packer
Packer	5.00			4365.00	
Stubb	1.00			4366.00	
Perforations	5.00			4371.00	
Change Over Sub	1.00			4372.00	
Perforations	31.00			4403.00	
Change Over Sub	1.00			4404.00	
Recorder	0.00	6753	Inside	4404.00	
Recorder	0.00	8319	Outside	4404.00	
Perforations	20.00			4424.00	
Bullnose	3.00			4427.00	62.00 Bottom Packers & Anchor
Total Tool Length:	90.00				

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**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum Inc
4924 SE 84th ST.
Newton, KS 67114 + 8827
ATTN: Nick Gerstner

5-17s-25w Ness,KS
Peach Grove #1
Job Ticket: 44549 DST#: 1
Test Start: 2011.10.01 @ 18:37:00

Mud and Cushion Information

Mud Type: Gel Chem	Cushion Type:	Oil API:	deg API
Mud Weight: 9.00 lb/gal	Cushion Length: ft	Water Salinity:	ppm
Viscosity: 46.00 sec/qt	Cushion Volume: bbl		
Water Loss: 12.77 in ³	Gas Cushion Type:		
Resistivity: ohm.m	Gas Cushion Pressure: psig		
Salinity: 3700.00 ppm			
Filter Cake: inches			

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
62.00	GOCM, 20%O, 30%M, 50%G	0.305
62.00	GVSOOM, 5%G, 5%O, 90%M	0.305

Total Length: 124.00 ft Total Volume: 0.610 bbl
Num Fluid Samples: 0 Num Gas Bombs: 0 Serial #:
Laboratory Name: Laboratory Location:
Recovery Comments:

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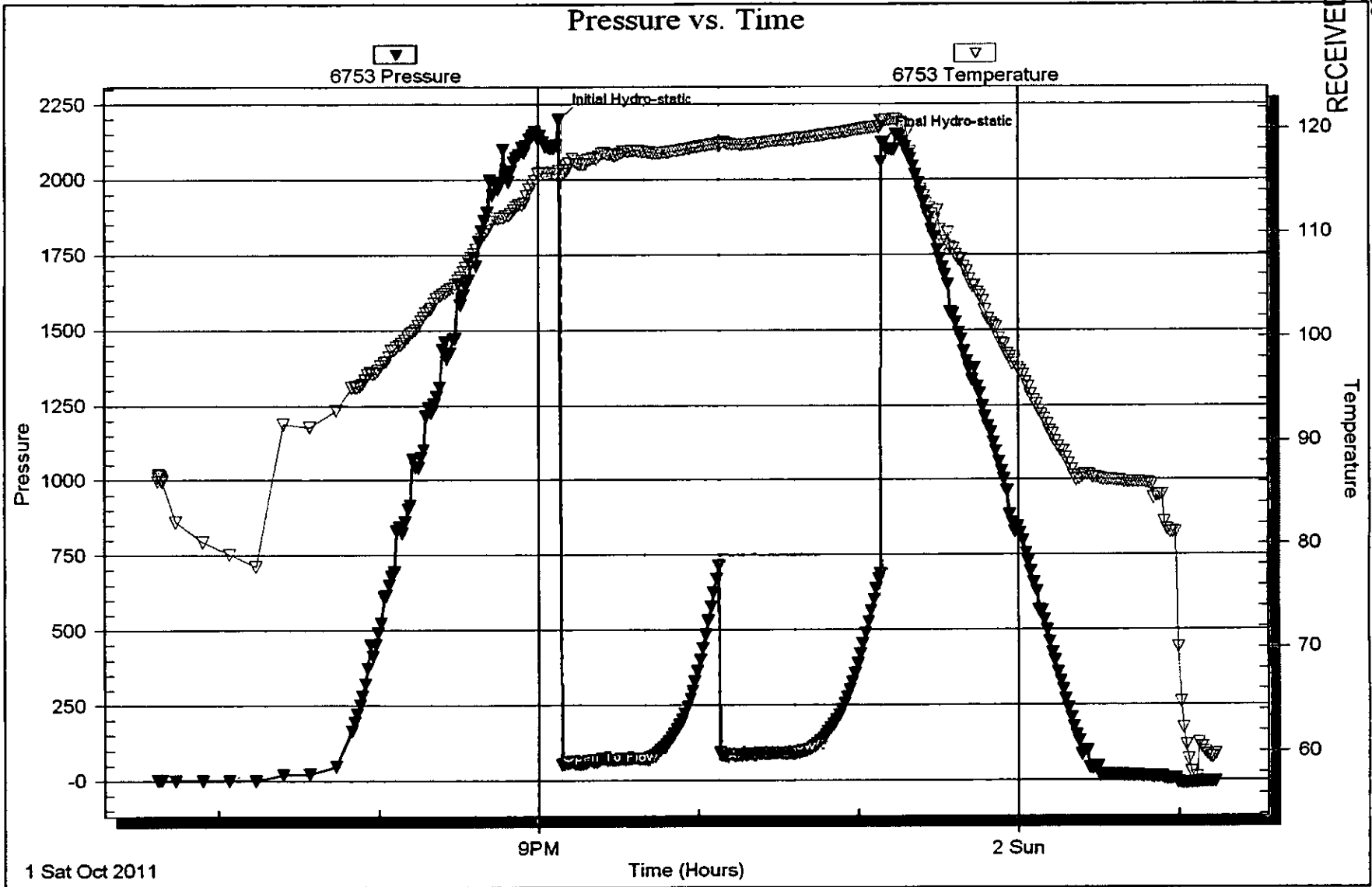
Serial #: 6753

Inside

Palomino Petroleum Inc

Peach Grove #1

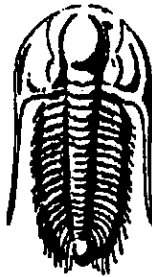
DST Test Number: 1



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**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Inc**

4924 SE 84th ST.
Newton, KS 67114 + 8827

ATTN: Nick Gerstner

Peach Grove #1

5-17s-25w Ness,KS

Start Date: 2011.10.02 @ 10:17:00

End Date: 2011.10.02 @ 17:38:00

Job Ticket #: 44550 DST #: 2

Palomino Petroleum Inc
5-17s-25w Ness,KS
Peach Grove #1
DST # 2
Miss
2011.10.02

Trilobite Testing, Inc
PO Box 362 Hays, KS 67601
ph: 785-625-4778 fax: 785-625-5620

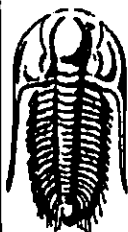
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**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum Inc
4924 SE 84th ST.
New ton, KS 67114 + 8827

ATTN: Nick Gerstner

5-17s-25w Ness,KS
Peach Grove #1
Job Ticket: 44550 **DST#: 2**
Test Start: 2011.10.02 @ 10:17:00

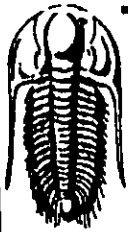
Tool Information

Drill Pipe:	Length: 4302.00 ft	Diameter: 3.80 inches	Volume: 60.35 bbl	Tool Weight: 2500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: 0.00 inches	Volume: 0.00 bbl	Weight set on Packer: 25000.00 lb
Drill Collar:	Length: 124.00 ft	Diameter: 2.25 inches	Volume: 0.61 bbl	Weight to Pull Loose: 62000.00 lb
			<u>Total Volume: 60.96 bbl</u>	Tool Chased 0.00 ft
Drill Pipe Above KB:	20.00 ft			String Weight: Initial 56000.00 lb
Depth to Top Packer:	4434.00 ft			Final 56000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	64.00 ft			
Tool Length:	92.00 ft			
Number of Packers:	2	Diameter: 6.75 inches		

Tool Comments:

Tool Description	Length (ft)	Serial No.	Position	Depth (ft)	Accum. Lengths
Change Over Sub	1.00			4407.00	
Shut In Tool	5.00			4412.00	
Hydraulic tool	5.00			4417.00	
Jars	5.00			4422.00	
Safety Joint	2.00			4424.00	
Packer	5.00			4429.00	28.00 Bottom Of Top Packer
Packer	5.00			4434.00	
Stubb	1.00			4435.00	
Perforations	5.00			4440.00	
Change Over Sub	1.00			4441.00	
Perforations	31.00			4472.00	
Change Over Sub	1.00			4473.00	
Recorder	0.00	6753	Inside	4473.00	
Recorder	0.00	8319	Outside	4473.00	
Perforations	22.00			4495.00	
Bullnose	3.00			4498.00	64.00 Bottom Packers & Anchor
Total Tool Length:	92.00				

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DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum Inc
4924 SE 84th ST.
New ton, KS 67114 + 8827
ATTN: Nick Gerstner

5-17s-25w Ness,KS
Peach Grove #1
Job Ticket: 44550 DST#: 2
Test Start: 2011.10.02 @ 10:17:00

Mud and Cushion Information

Mud Type: Gel Chem
Mud Weight: 9.00 lb/gal
Viscosity: 46.00 sec/qt
Water Loss: 12.77 in³
Resistivity: ohm m
Salinity: 3700.00 ppm
Filter Cake: inches

Cushion Type:
Cushion Length: ft
Cushion Volume: bbl
Gas Cushion Type:
Gas Cushion Pressure: psig

Oil API: deg API
Water Salinity: ppm

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
62.00	SOOM, 10%O, 90%M	0.305
62.00	GOCMM, 3%G, 2%W, 25%O, 70%M	0.305
62.00	GHOCM, 10%G, 40%M, 50%O	0.870
62.00	GMCO, 10%G, 30%M, 60%O	0.870
31.00	MCO, 30%M, 70%O	0.435

Total Length: 279.00 ft Total Volume: 2.785 bbl
Num Fluid Samples: 0 Num Gas Bombs: 0 Serial #:
Laboratory Name: Laboratory Location:
Recovery Comments:

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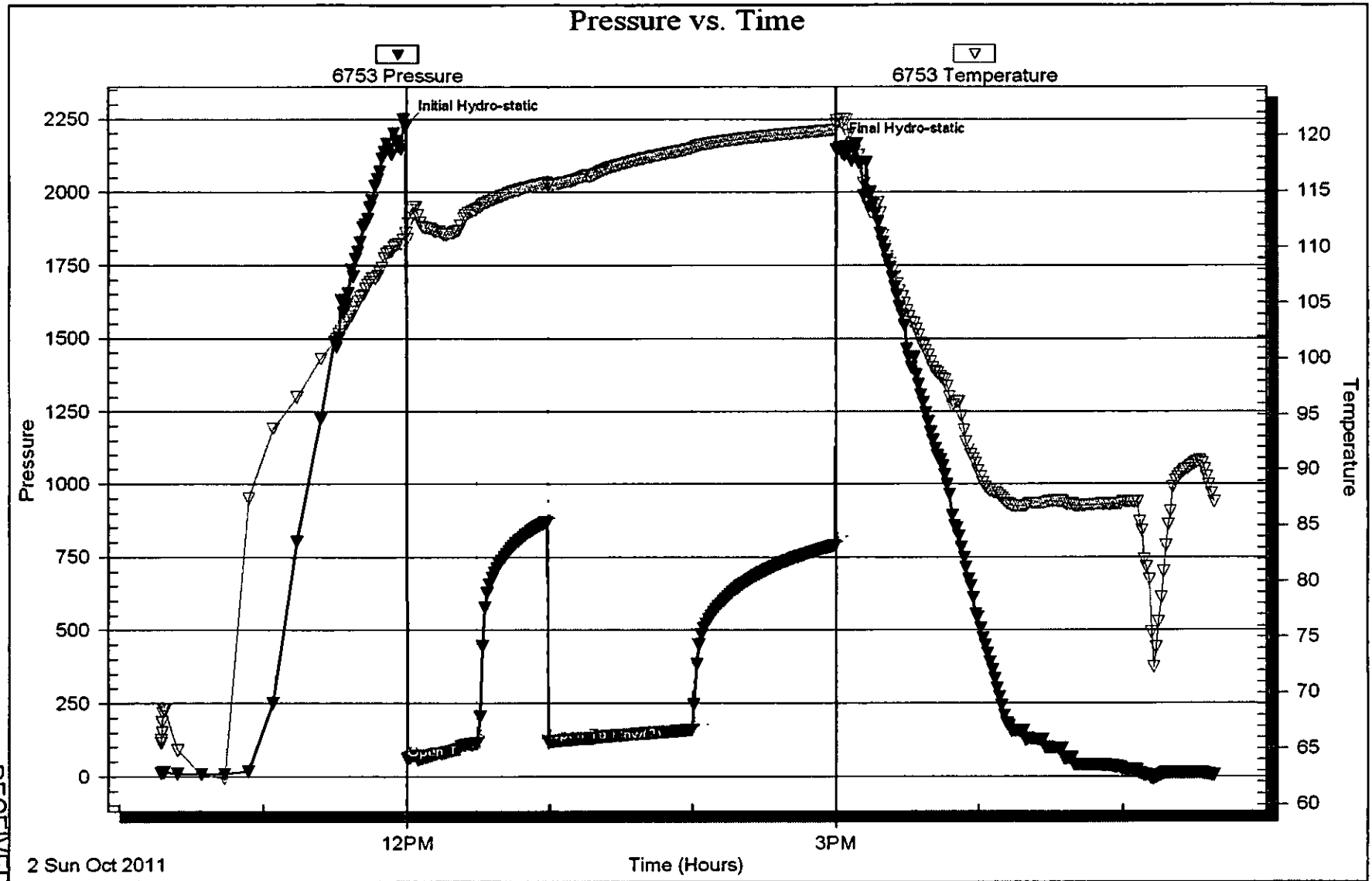
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Serial #: 6753

Inside Palomino Petroleum Inc

Peach Grove #1

DST Test Number: 2



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