

ORIGINAL

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 # 4958

Name: Mallard JV, Inc.

Wellsite Geologist: Nicholas P. Gerstner

Purchaser: None

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 #:

11/4/11	11/13/11	11/13/11
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 101-22327 . 00 . 00

Spot Description:

SE NE SE SE Sec. 26 Twp. 17 S. R. 27 East West

668 Feet from North / South Line of Section

33 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE NW SE SW

County: Lane

Lease Name: Atwell MC Well #: 1

Field Name: None (Wildcat)

Producing Formation: None

Elevation: Ground: 2621 Kelly Bushing: 2626

Total Depth: 4607 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: Feet

If Alternate II completion, cement circulated from:

feet depth to: w/ sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: ppm Fluid volume: 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: 1/13/12

KCC Office Use ONLY

Letter of Confidentiality Received

Date: RECEIVED

Confidential Release Date: JAN 17 2012

Wireline Log Received

Geologist Report Received

UIC Distribution P+A KCC WICHITA

ALT I II III Approved by: *Dig* Date: 1/27/12

Operator Name: Palomino Petroleum, Inc. Lease Name: Atwell MC Well #: 1
 Sec. 26 Twp. 17 S. R. 27 East West County: Lane

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 checked="" 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;"> <tr> <td style="width:70%;"></td> <td style="width:15%; text-align: center;">Top</td> <td style="width:15%; text-align: center;">Datum</td> </tr> <tr> <td>Anhy.</td> <td style="text-align: center;">2017</td> <td style="text-align: center;">(+ 609)</td> </tr> <tr> <td>Base Anhy.</td> <td style="text-align: center;">2049</td> <td style="text-align: center;">(+ 577)</td> </tr> <tr> <td>Topeka</td> <td style="text-align: center;">3645</td> <td style="text-align: center;">(-1019)</td> </tr> <tr> <td>Heebner</td> <td style="text-align: center;">3903</td> <td style="text-align: center;">(-1277)</td> </tr> <tr> <td>LKC</td> <td style="text-align: center;">3943</td> <td style="text-align: center;">(-1317)</td> </tr> <tr> <td>BKC</td> <td style="text-align: center;">4274</td> <td style="text-align: center;">(-1648)</td> </tr> <tr> <td>Marmaton</td> <td style="text-align: center;">4299</td> <td style="text-align: center;">(-1673)</td> </tr> </table>		Top	Datum	Anhy.	2017	(+ 609)	Base Anhy.	2049	(+ 577)	Topeka	3645	(-1019)	Heebner	3903	(-1277)	LKC	3943	(-1317)	BKC	4274	(-1648)	Marmaton	4299	(-1673)
	Top	Datum																							
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Marmaton	4299	(-1673)																							

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	20#	218'	Common	150	2% gel, 3% c.c.

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

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

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

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: <div style="text-align: right; font-weight: bold; font-size: 1.2em;">RECEIVED</div> <div style="text-align: right; font-weight: bold; font-size: 1.2em;">JAN 1-7-2012</div>
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LOGS

Pawnee	4404	(-1778)
Ft. Scott	4460	(-1834)
Cherokee	4484	(-1858)
Miss.	4560	(-1934)
LTD	4607	(-1981)

RECEIVED
JAN 17 2012
KCC WICHITA



24 S. Lincoln Street
 P.O. Box 31
 Russell, KS 67665-2906
 Voice: (817) 546-7282
 Fax: (817) 246-3361

INVOICE

Invoice Number: 129327
 Invoice Date: Nov 13, 2011
 Page: 1

RECEIVED
 NOV 25 2011

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

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Palo	Atwell MC #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-03	Great Bend	Nov 13, 2011	12/13/11

Quantity	Item	Description	Unit Price	Amount
180.00	MAT	Class A Common	16.25	2,925.00
120.00	MAT	Pozmix	8.50	1,020.00
10.00	MAT	Gel	21.25	212.50
75.00	MAT	FloSeal	2.70	202.50
313.00	SER	Handling	2.25	704.25
35.00	SER	Mileage	34.43	1,205.05
1.00	SER	Rotary Plug	1,250.00	1,250.00
70.00	SER	Heavy Vehicle Mileage	7.00	490.00
70.00	SER	Light Vehicle Mileage	4.00	280.00
1.00	CEMENTER	Greg Redetzke		
1.00	OPER ASSIST	Shane Konzern		
1.00	OPER ASSIST	Jimmy Henkle		
1.00	OPER ASSIST	Vince Pack		

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

\$ 2645.37

ONLY IF PAID ON OR BEFORE
Dec 8, 2011

Subtotal	8,289.30
Sales Tax	522.23
Total Invoice Amount	8,811.53
Payment/Credit Applied	
TOTAL	8,811.53

RECEIVED
 JAN 17 2012
 KCC WICHITA



24 S. Lincoln Street
 P.O. Box 31
 Russell, KS 67665-2906
 Voice: (817) 546-7282
 Fax: (817) 246-3361

INVOICE

Invoice Number: 129163
 Invoice Date: Nov 4, 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	Atwell MC #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Oakley	Nov 4, 2011	12/4/11

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
75.00	SER	Mileage	17.38	1,303.50
1.00	SER	Surface	1,125.00	1,125.00
150.00	SER	Heavy Vehicle Mileage	7.00	1,050.00
1.00	SER	Manifold Swedge Rental	325.00	325.00
150.00	SER	Light Vehicle Mileage	4.00	600.00
1.00	CEMENTER	LaRene Wentz		
1.00	EQUIP OPER	Darren Racette		
1.00	OPER ASSIST	Ethan Glassman		

Subtotal	7,551.25
Sales Tax	175.91
Total Invoice Amount	7,727.16
Payment/Credit Applied	
TOTAL	7,727.16

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

\$2,987.00

ONLY IF PAID ON OR BEFORE
Nov 29, 2011

RECEIVED
 JAN 17 2012
 KCC WICHITA

Company	Palomino Petroleum, Inc.	Lease Name	Atwell MC	
Address	4924 SE 84th St.	Lease #	1	
CSZ	Newton, KS 67114	Legal Desc	SE-NE-SE-SE	Job Ticket 2171
Attn.	Nick Gerstner	Section	26	Range 27W
		Township	17S	
		County	Lane	State KS
		Drilling Cont	Mallard J.V. Inc. Rig #1	
Comments	Charged double milage to pick up tool on 11-12-11.			

GENERAL INFORMATION

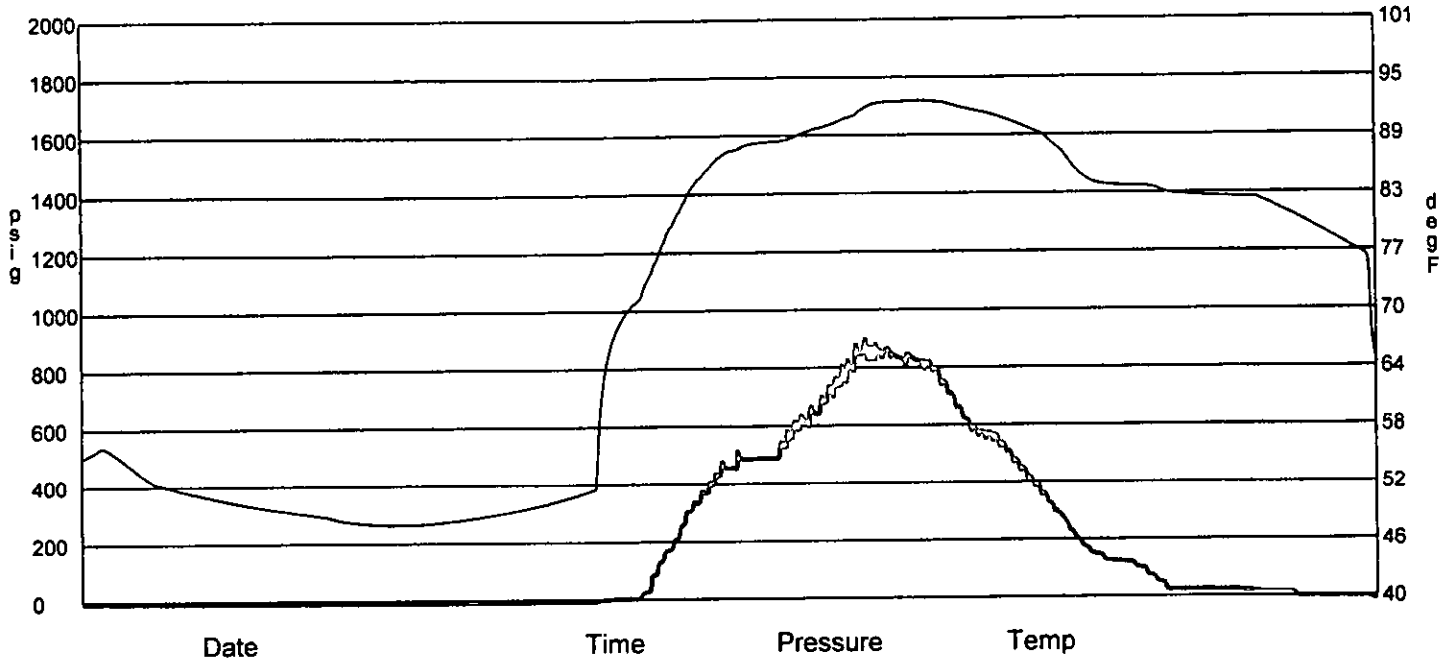
Test # 1	Test Date	11/9/2011
Tester	Tim Venters	
Test Type	Conventional Bottom Hole	
	Mis-run	
# of Packers	2.0	Packer Size 6 3/4
Mud Type	Gel Chem	
Mud Weight	9.3	Viscosity 46.0
Filtrate	9.2	Chlorides 3200
Drill Collar Len	241.0	
Wght Pipe Len	0	
Formation	Lansing "H&I"	
Interval Top	4092.0	Bottom 4166.0
Anchor Len Below	74.0	Between 0
Total Depth	4166.0	
Blow Type	HIT A BRIDGE.	

Chokes	3/4	Hole Size	7 7/8
Top Recorder #	W1119		
Mid Recorder #	W1023		
Bott Recorder #	13310		
Mileage	192	Approved By	
Standby Time	0		
Extra Equipmnt	Jars & Safety joint		
Time on Site	4:10 PM		
Tool Picked Up	5:35 PM		
Tool Layed Dwn	7:55 PM		
Elevation	2621.00	Kelley Bushings	2626.00
Start Date/Time	11/9/2011 4:59 PM		
End Date/Time	11/9/2011 7:59 PM		

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
DST Fluids	0				

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 JAN 17 2012
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GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

RECEIVED
JAN 17 2012
KCC WICHITA

Company	Palomino Petroleum, Inc.	Lease Name	Atwell MC	
Address	4924 SE 84th St.	Lease #	1	
CSZ	Newton, KS 67114	Legal Desc	SE-NE-SE-SE	Job Ticket 2171
Attn.	Nick Gerstner	Section	26	Range 27W
		Township	17S	
		County	Lane	State KS
		Drilling Cont	Mallard J.V. Inc. Rig #1	
Comments	Charged double milage to pick up tool on 11-12-11.			

GENERAL INFORMATION

Test # **2** Test Date **11/10/2011**
 Tester **Tim Venters**
 Test Type **Conventional Bottom Hole**

of Packers **2.0** Packer Size **6 3/4**

Mud Type **Gel Chem**
 Mud Weight **9.3** Viscosity **46.0**
 Filtrate **9.2** Chlorides **3200**

Drill Collar Len **241.0**
 Wght Pipe Len **0**

Formation **Lansing "H&I"**
 Interval Top **4092.0** Bottom **4166.0**
 Anchor Len Below **74.0** Between **0**
 Total Depth **4166.0**

Blow Type **Fairly weak 1 inch blow at the start of the initial flow period, building, reaching the bottom of the bucket in 8 minutes. Very weak surface blow back at the start of the initial shut-in period, building to 1 inch. Weak surface blow at the start of the final flow period, building, reaching bottom of the bucket in 10 minutes. Weak surface blow back at the start of the final shut-in period, building to 1 inch. Times: 30, 30, 30, 39.**

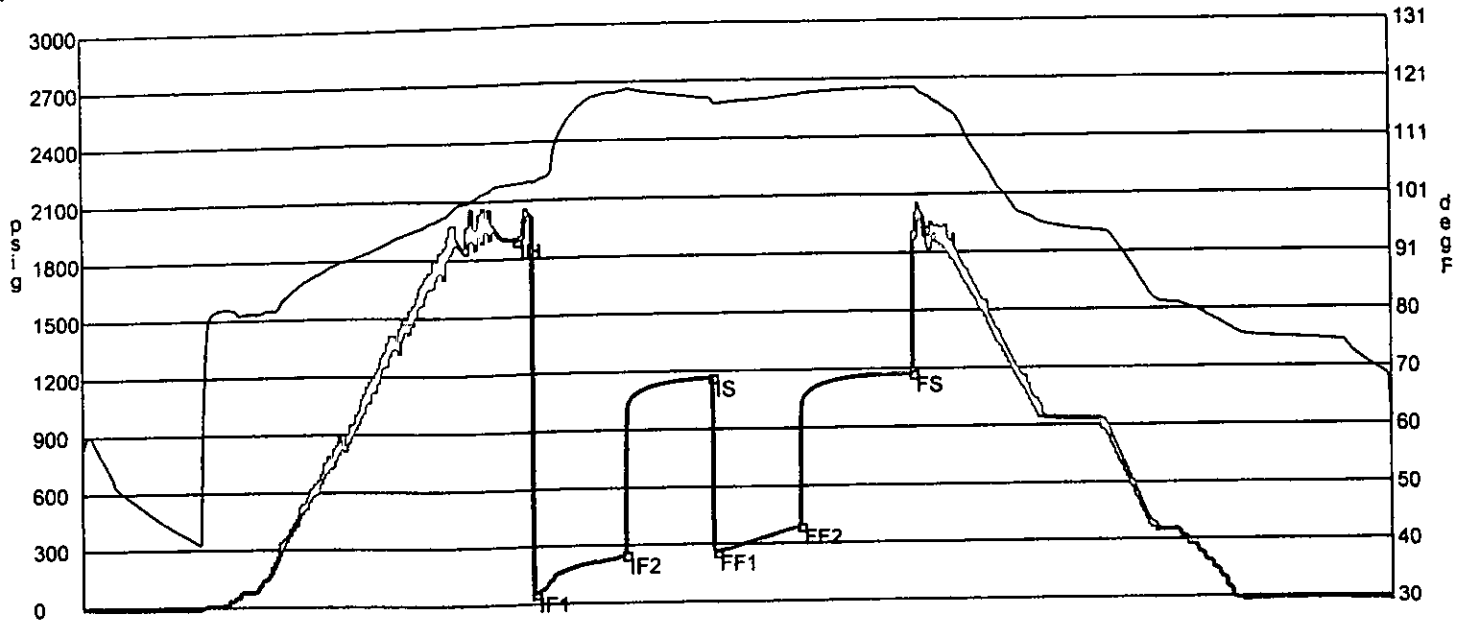
Chokes **3/4** Hole Size **7 7/8**
 Top Recorder # **W1119**
 Mid Recorder # **W1023**
 Bott Recorder # **13310**
 Mileage **60** Approved By
 Standby Time **0**
 Extra Equipmnt **Jars & Safety joint**
 Time on Site **2:00 AM**
 Tool Picked Up **3:15 AM**
 Tool Layed Dwn **9:55 AM**
 Elevation **2621.00** Kelley Bushings **2626.00**
 Start Date/Time **11/10/2011 2:36 AM**
 End Date/Time **11/10/2011 9:59 AM**

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
215	Gas in Pipe	100% 215ft	0% 0ft	0% 0ft	0% 0ft
40	Water, slight mud cut oil	0% 0ft	73% 29.2ft	24% 9.6ft	3% 1.2
65	Mud, slight oil cut water	0% 0ft	10% 6.5ft	65% 42.2ft	25% 16
795	Slight oil and mud cut water	0% 0ft	2% 15.9ft	94% 747.3ft	4% 31
10	Mud	0% 0ft	0% 0ft	0% 0ft	100% 10

DST Fluids **86000**

RECEIVED
 JAN 17 2012
 KCC WICHITA

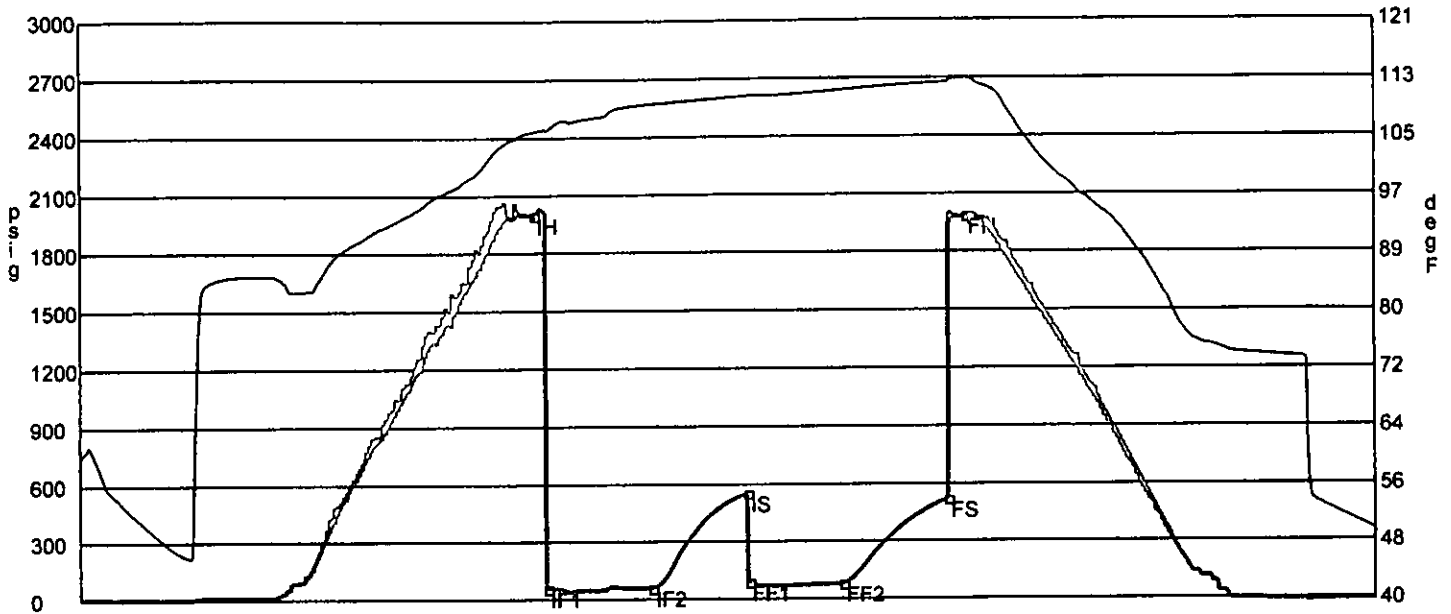


	Date	Time	Pressure	Temp	
IH	11/10/2011 5:01:20 AM	2.422222	1895.408	103.604	Initial Hydro-static
IF1	11/10/2011 5:06:50 AM	2.513889	56.599	103.79	Initial Flow (1)
IF2	11/10/2011 5:37:00 AM	3.016667	250.294	119.433	Initial Flow (2)
IS	11/10/2011 6:06:40 AM	3.511111	1166.124	117.828	Initial Shut-In
FF1	11/10/2011 6:07:40 AM	3.527778	259.532	117.107	Final Flow (1)
FF2	11/10/2011 6:36:40 AM	4.011111	390.715	118.285	Final Flow (2)
FS	11/10/2011 7:15:20 AM	4.655556	1175.974	119.235	Final Shut-In
FH	11/10/2011 7:19:50 AM	4.730556	1919.627	118.067	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

RECEIVED
 JAN 17 2012
 KCC WICHITA



	Date	Time	Pressure	Temp	
IH	11/11/2011 2:41:50 AM	2.363889	1997.721	105.648	Initial Hydro-static
IF1	11/11/2011 2:45:50 AM	2.430556	58.048	105.847	Initial Flow (1)
IF2	11/11/2011 3:18:50 AM	2.980556	59.32	109.413	Initial Flow (2)
IS	11/11/2011 3:48:50 AM	3.480556	553.054	110.419	Initial Shut-In
FF1	11/11/2011 3:49:20 AM	3.488889	88.606	110.471	Final Flow (1)
FF2	11/11/2011 4:19:00 AM	3.983333	80.631	111.219	Final Flow (2)
FS	11/11/2011 4:52:00 AM	4.533333	518.435	112.312	Final Shut-In
FH	11/11/2011 4:57:30 AM	4.625	1988.195	112.852	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

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Company	Palomino Petroleum, Inc.	Lease Name	Atwell MC	
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CSZ	Newton, KS 67114	Legal Desc	SE-NE-SE-SE	Job Ticket 2171
Attn.	Nick Gerstner	Section	26	Range 27W
		Township	17S	
		County	Lane	State KS
		Drilling Cont	Mallard J.V. Inc. Rig #1	
Comments	Charged double milage to pick up tool on 11-12-11.			

GENERAL INFORMATION

Test # **4** Test Date **11/12/2011**
 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 **9.3**
 Filtrate **10.0**

Drill Collar Len **241.0**
 Wght Pipe Len **0**

Formation **Pleasanton & Marmaton**
 Interval Top **4263.0** Bottom **4410.0**
 Anchor Len Below **147.0** Between **0**
 Total Depth **4410.0**

Blow Type **Weak surface blow at the start of the initial flow period, building to 3/4 inch.
 Weak 1/4 inch blow at the start of the final flow period, building to 1 1/2 inches. Times: 30, 30, 30, 30.**

Chokes **3/4** Hole Size **7 7/8**
 Top Recorder # **W1119**
 Mid Recorder # **W1023**
 Bott Recorder # **13310**

Mileage **120** Approved By
 Standby Time **0**
 Extra Equipmnt **Jars & Safety joint**
 Time on Site **7:35 PM**
 Tool Picked Up **9:50 PM**
 Tool Layed Dwn **4:05 AM**

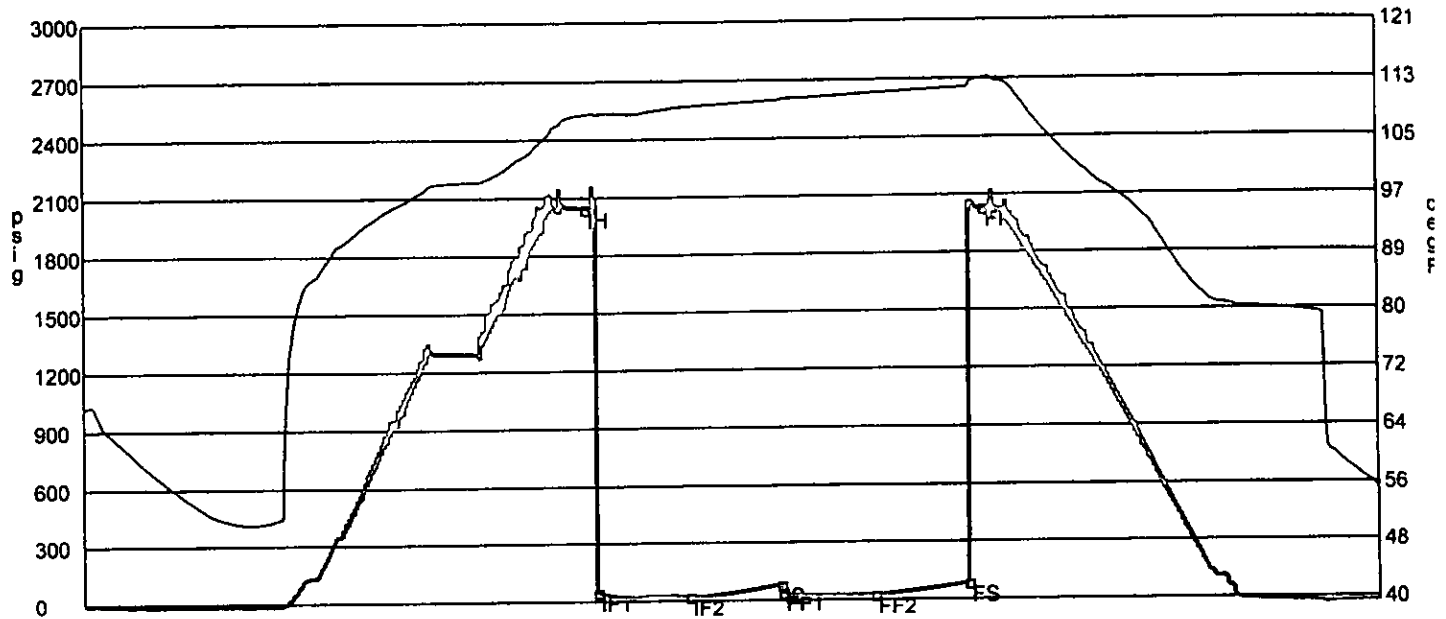
Elevation **2621.00** Kelley Bushings **2626.00**

Start Date/Time **11/11/2011 9:06 PM**
 End Date/Time **11/12/2011 4:05 AM**

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
40	Mud with trace oil	0% 0ft	trace	0% 0ft	100%40
DST Fluids	0				

RECEIVED
 JAN 17 2012
 KCC WICHITA



	Date	Time	Pressure	Temp	
IH	11/11/2011 11:48:10 PM	2.702778	2043.25	108.25	Initial Hydro-static
IF1	11/11/2011 11:51:50 PM	2.763889	47.148	108.207	Initial Flow (1)
IF2	11/12/2011 12:21:40 AM	3.261111	20.174	109.295	Initial Flow (2)
IS	11/12/2011 12:51:30 AM	3.758333	79.704	110.092	Initial Shut-In
FF1	11/12/2011 12:52:00 AM	3.766667	39.472	110.157	Final Flow (1)
FF2	11/12/2011 1:22:00 AM	4.266667	22.145	110.976	Final Flow (2)
FS	11/12/2011 1:52:30 AM	4.775	81.682	111.7	Final Shut-In
FH	11/12/2011 1:57:20 AM	4.855556	2029.332	112.94	Final Hydro-static

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