

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
Address 2: _____
City: Newton State: KS Zip: 67114 + 8827
Contact Person: Klee R. Watchous
Phone: (316) 799-1000
CONTRACTOR: License # 33575
Name: WW Drilling, LLC
Wellsite Geologist: Nick 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 #: _____

3/9/12	3/15/12	3/16/12
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 083-21761-00-00

Spot Description: _____
NE SE NW NW Sec. 18 Twp. 22 S. R. 24 East West

662 Feet from North / South Line of Section

1,153 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW

County: Hodgeman
Lease Name: Schmitt Well #: 1
Field Name: Wildcat
Producing Formation: None
Elevation: Ground: 2488 Kelly Bushing: 2493
Total Depth: 4679 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: 19,000 ppm Fluid volume: 850 bbls
Dewatering method used: Air dry / backfill
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: 4/12/12

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: 4/24/12

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

Sec. 18 Twp. 22 S. R. 24 East West County: Hodgeman

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

Drill Stem Tests Taken (Attach Additional Sheets) Samples Sent to Geological Survey Cores Taken Electric Log Run Electric Log Submitted Electronically (If no, Submit Copy) List All E. Logs Run: Radiation Guard

Log Formation (Top), Depth and Datum Sample Name Top Datum Anhy. 1664 (+ 829) Base Anhy. 1696 (+ 797) Heebner 3903 (-1410) LKC 3955 (-1462) BKC 4339 (-1846) Marmaton 4370 (-1877) Pawnee 4434 (-1941) Ft. Scott 4493 (-2000)

CASING RECORD New 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

ADDITIONAL CEMENTING / SQUEEZE RECORD Purpose: Depth Top Bottom Type of Cement # Sacks Used Type and Percent Additives

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: Date of First, Resumed Production, SWD or ENHR. Producing Method: Estimated Production Per 24 Hours Oil Bbls. Gas Mcf Water Bbls. Gas-Oil Ratio Gravity

DISPOSITION OF GAS: METHOD OF COMPLETION: PRODUCTION INTERVAL:

LOGS

Cherokee	4518	(-2025)
Miss.	4608	(-2115)
LTD	4678	(-2185)

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PO Box 93999
Southlake, TX 76092

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

INVOICE

Invoice Number: 130496
Invoice Date: Mar 16, 2012
Page: 1

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MAR 26 2012



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

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Palo	Schmitt #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-03	Great Bend	Mar 16, 2012	4/15/12

Quantity	Item	Description	Unit Price	Amount
138.00	MAT	Class A Common	16.25	2,242.50
102.00	MAT	Pozmix	8.50	867.00
8.00	MAT	Gel	21.25	170.00
58.00	MAT	FloSeal	2.70	156.60
240.00	SER	Handling	2.25	540.00
26.00	SER	Mileage	26.40	686.40
1.00	SER	Rotary Plug	1,250.00	1,250.00
52.00	SER	Heavy Vehicle Mileage	7.00	364.00
52.00	SER	Light Vehicle Mileage	4.00	208.00
1.00	CEMENTER	Wayne Davis		
1.00	OPER ASSIST	Marlyn Spangenberg		
1.00	EQUIP OPER	Ron Bennett		

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

\$ 1926.10

ONLY IF PAID ON OR BEFORE
Apr 10, 2012

Subtotal	6,484.50
Sales Tax	483.10
Total Invoice Amount	6,967.60
Payment/Credit Applied	
TOTAL	6,967.60

ALLIED CEMENTING CO., -LC. 042500

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

SERVICE POINT:
Geat Bend 43

DATE <u>3-16-12</u>	SEC. <u>18</u>	TWP. <u>22S</u>	RANGE <u>24W</u>	CALLED OUT	ON LOCATION	JOB START <u>7:00 AM</u>	JOB FINISH <u>11:00 AM</u>
LEASE <u>Schmitt</u>		WELL# <u>1</u>	LOCATION <u>Setpoint 43 4 North</u>		COUNTY <u>Madison</u>	STATE <u>KS</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)			S West				

CONTRACTOR www Rig 10

TYPE OF JOB Ratary Plus

HOLE SIZE 7 3/4 T.D. 4679

CASING SIZE _____ DEPTH _____

TUBING SIZE 6 DEPTH _____

DRILL PIPE 4 1/2 DEPTH 1680

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT AMOUNT ORDERED 230 SK 60/40 + 4% G.

+ 2 #100001

COMMON <u>128</u>	@ <u>16.25</u>	<u>2,242.50</u>
POZMIX <u>102</u>	@ <u>8.50</u>	<u>867.00</u>
GEL <u>8</u>	@ <u>21.25</u>	<u>170.00</u>
CHLORIDE _____	@ _____	_____
ASC _____	@ _____	_____
<u>#100001 58</u>	@ <u>2.70</u>	<u>156.60</u>
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
HANDLING <u>240</u>	@ <u>2.25</u>	<u>540.00</u>
MILEAGE <u>240 X 26 X .11</u>		<u>686.40</u>
TOTAL		<u>4662.50</u>

EQUIPMENT

PUMP TRUCK CEMENTER Wayne David

366 HELPER manlin

BULK TRUCK # 344/170 DRIVER Ron

BULK TRUCK # _____ DRIVER _____

REMARKS:

1st Plus 1680 mix 50SX

2nd Plus 750 mix 80SX

3rd Plus 240 mix 50SX

4th Plus 60 mix 20SX

Rathole mix 30SX

SERVICE

DEPTH OF JOB <u>1680</u>		
PUMP TRUCK CHARGE _____		<u>1250.00</u>
EXTRA FOOTAGE _____	@ _____	_____
MILEAGE <u>Hum 52</u>	@ <u>7.00</u>	<u>364.00</u>
MANIFOLD _____	@ _____	_____
<u>Hum 52</u>	@ <u>4.00</u>	<u>208.00</u>
_____	@ _____	_____
TOTAL		<u>1822.00</u>

CHARGE TO: Palomino Petroleum

STREET _____

CITY _____ STATE _____ ZIP _____

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

PRINTED NAME Marty Miller

SIGNATURE [Signature]

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TOTAL _____

SALES TAX (If Any) _____

TOTAL CHARGES 6,484.50

20% 20% 1,926.10

DISCOUNT _____ IF PAID IN 30 DAYS

4558.40



CONSOLIDATED
Oil Well Services, LLC

REMIT TO
Consolidated Oil Well Services, LLC
Dept. 970
P.O. Box 4346
Houston, TX 77210-4346

MAIN OFFICE
P.O. Box 884
Chanute, KS 66720
620/431-9210 • 1-800/467-8676
Fax 620/431-0012

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MAR 16 2012

INVOICE

Invoice # 248331

Invoice Date: 03/13/2012 Terms: 10/10/30,n/30

Page 1

PALOMINO PETROLEUM, INC.
4924 SE 84TH STREET
NEWTON KS 67114-8827
() -

SCHMIDT #1
34413
18-22S-24W
3-9-2012
KS

Part Number	Description	Qty	Unit Price	Total
1104S	CLASS "A" CEMENT (SALE)	165.00	17.6500	2912.25
1102	CALCIUM CHLORIDE (50#)	465.00	.8900	413.85
1118B	PREMIUM GEL / BENTONITE	310.00	.2500	77.50

Sublet Performed	Description	Total
9999-130	CASH DISCOUNT	-340.36
9999-130	CASH DISCOUNT	-164.50

Description	Hours	Unit Price	Total
399 CEMENT PUMP (SURFACE)	1.00	1085.00	1085.00
399 EQUIPMENT MILEAGE (ONE WAY)	30.00	5.00	150.00
460 MIN. BULK DELIVERY	1.00	410.00	410.00

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Amount Due 5302.16 if paid after 04/12/2012

Parts:	3403.60	Freight:	.00	Tax:	228.20	AR	4771.94
Labor:	.00	Misc:	.00	Total:	4771.94		
Sublt:	-504.86	Supplies:	.00	Change:	.00		

Signed _____

Date _____

BARTLESVILLE, OK
918/338-0808

EL DORADO, KS
316/322-7022

EUREKA, KS
620/583-7664

PONCA CITY, OK
580/762-2303

OAKLEY, KS
785/672-2227

OTTAWA, KS
785/242-4044

THAYER, KS
620/839-5269

GILLETTE, WY
307/686-4914



CONSOLIDATED
Oil Well Services, LLC



TICKET NUMBER 34413
LOCATION Oakley, KS
FOREMAN Kelly Gabel

PO Box 884, Chanute, KS 66720
620-431-9210 or 800-467-8676

FIELD TICKET & TREATMENT REPORT
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
3-9-12	6285	Schmidt #1	18	22 ⁵	24 ^W	Hogeman ^{KS}	
CUSTOMER <u>Palimino Perco</u>		Setmore N 20 RD Q 5 ^W S 1 ^{MO}		TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS				399	Miless		
CITY		STATE	ZIP CODE	460	Cory D		

JOB TYPE Surface HOLE SIZE 12 1/4 HOLE DEPTH 218 CASING SIZE & WEIGHT 8 5/8 21#
 CASING DEPTH 218 DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 14# SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT in CASING 20'
 DISPLACEMENT 12 1/2 DISPLACEMENT PSI _____ MIX PSI _____ RATE _____

REMARKS: safety meeting. Rigged up on W&W drilling Rig # 10
hooked up to circulate, mixed 165 sks com 3% cc + 2% gel
displaced with 12 1/2 bbl water, shut in. Washed out
pump lines, Rigged down at location

Cement did circulate

Approx 3 bbl to pit

Shambouss
Rally & crew

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
54015	1	PUMP CHARGE	1085 ⁰⁰	1085 ⁰⁰
5406	30	MILEAGE	5 ⁰⁰	150 ⁰⁰
11045	165 sks	Class A Cement	17 ⁶⁵	2912 ²⁵
1102	465 #	Calcium chloride	.89	413 ⁸⁵
11183	310 #	Bentonite	.25	77 ⁵⁰
5407	7.75	Ton Mileage delivery (min)	410 ⁰⁰	410 ⁰⁰
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				5048 ⁰⁰
				5048 ⁰⁰
				4543 ⁷⁴
248338			SALES TAX	228 ²⁰
			ESTIMATED TOTAL	4771 ⁹⁴

Revin 3737

4:30 PM

AUTHORIZATION [Signature]

TITLE _____

DATE 3-9-12

I acknowledge that the payment terms, unless specifically amended in writing on the front of the form or in the customer's account records, at our office, and conditions of service on the back of this form are in effect for services identified on this form.

Company	Palomino Petroleum, Inc.	Lease Name	Schmitt	
Address	4924 SE 84th Street	Lease #	1	
CSZ	Newton, KS 67114	Legal Desc	NE SE NW NW	Job Ticket 3468
Attn.	Nick Gerstner	Section	18	Range 24W
		Township	22S	
		County	Hodgeman	State KS
		Drilling Cont	WW Drilling #10	

Comments Field: Wildcat

GENERAL INFORMATION

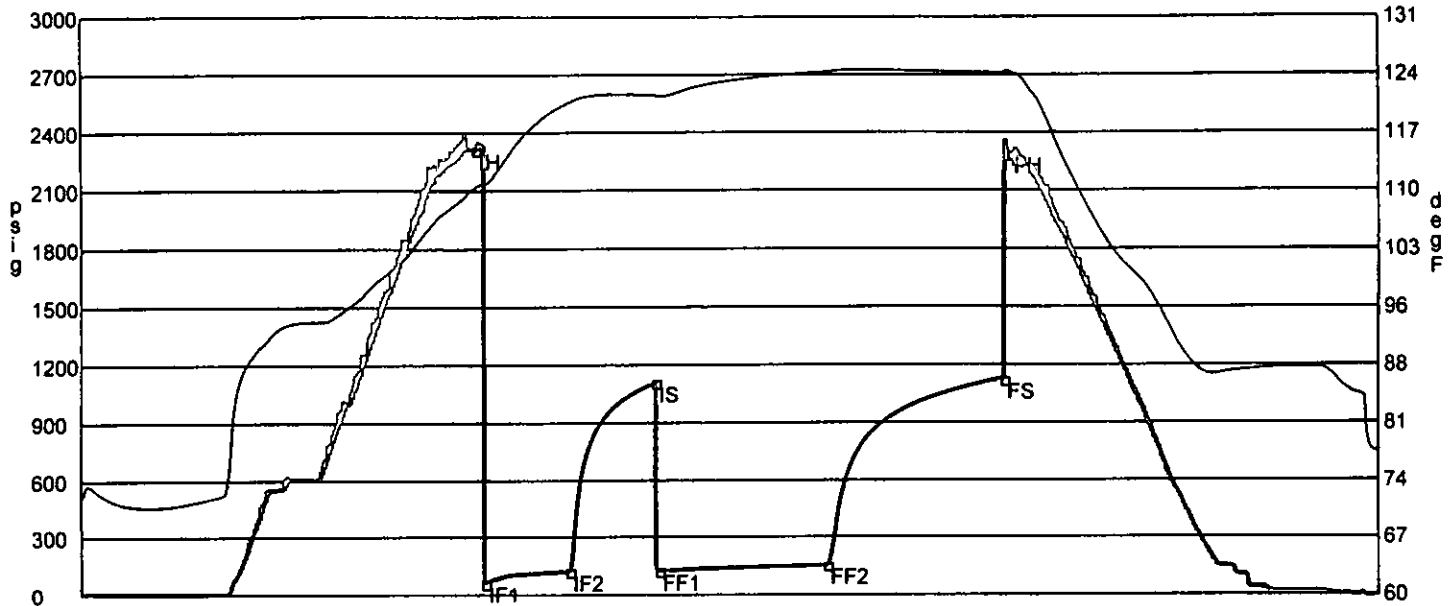
Test # 1	Test Date 3/15/2012	Chokes	3/4	Hole Size	7 7/8
Tester	Jimmy Ricketts	Top Recorder #	11027		
Test Type	Conventional Bottom Hole	Mid Recorder #			
	Successful Test	Bott Recorder #	w1022		
# of Packers	2.0	Packer Size	6 3/4	Mileage	200
				Standby Time	0
Mud Type	Gel Chem	Extra Equipmnt	Jars & Safety Joint	Approved By	
Mud Weight	9.6	Viscosity	50.0	Time on Site	9:30 AM
Filtrate	8.4	Chlorides	4800	Tool Picked Up	11:00 AM
				Tool Layed Dwn	5:45 PM
Drill Collar Len	123.0	Elevation	2488.00	Kelley Bushings	2493.00
Wght Pipe Len	0				
Formation	Mississippian	Start Date/Time	3/15/2012 10:43 AM		
Interval Top	4619.0	Bottom	4636.0	End Date/Time	3/15/2012 6:15 PM
Anchor Len Below	17.0	Between	0		
Total Depth	4636.0				
Blow Type	Weak blow building to 9 inches initial flow period. 1/4 inch blow back during initial shut-in period. Weak blow building to 11 inches final flow period. 1/4 inch blow back during final shut-in period. Times: 30, 30, 60, 61. API gravity of oil was 38.				

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
45	Gas in pipe	100% 45ft	0% 0ft	0% 0ft	0% 0ft
85	Clean oil	0% 0ft	100% 85ft	0% 0ft	0% 0ft
80	Oil and heavy water cut mud	0% 0ft	4% 3.2ft	25% 20ft	71% 56.8ft
125	Oil and mud cut water	0% 0ft	4% 5ft	85% 106.2ft	11% 13.8ft

DST Fluids 20000

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	Date	Time	Pressure	Temp	
IH	3/15/2012 1:00:00 PM	2.283333	2310.028	110.152	Initial Hydro-static
IF1	3/15/2012 1:03:00 PM	2.333333	61.508	110.455	Initial Flow (1)
IF2	3/15/2012 1:32:30 PM	2.825	119.26	120.44	Initial Flow (2)
IS	3/15/2012 2:02:40 PM	3.327778	1107.339	121.377	Initial Shut-In
FF1	3/15/2012 2:03:50 PM	3.347222	121.194	121.219	Final Flow (1)
FF2	3/15/2012 3:02:30 PM	4.325	151.168	124.242	Final Flow (2)
FS	3/15/2012 4:04:20 PM	5.355556	1120.548	124.151	Final Shut-In
FH	3/15/2012 4:06:50 PM	5.397222	2284.962	124.22	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

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