



KANSAS CORPORATION COMMISSION 1085874
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
Address 2: _____
City: NEWTON State: KS Zip: 67114 + 8827
Contact Person: Klee R. Watchous
Phone: (316) 799-1000
CONTRACTOR: License # 5123
Name: Pickrell Drilling Company, Inc.
Wellsite Geologist: Sean P. Deenihan
Purchaser: None

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 #: _____

01/30/2012	02/13/2012	02/13/2012
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-171-20862-00-00
Spot Description: _____
SW NE NW SE Sec. 24 Twp. 19 S. R. 32 East West
2016 Feet from North / South Line of Section
1933 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Scott
Lease Name: Richard Dearden Well #: 1
Field Name: Rodeo Road SW
Producing Formation: None
Elevation: Ground: 2976 Kelly Bushing: 2983
Total Depth: 5603 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 212 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: 2230 Feet
If Alternate II completion, cement circulated from: 2230
feet depth to: 0 w/ 165 sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: 0 ppm Fluid volume: 0 bbls
Dewatering method used: Evaporated
Location of fluid disposal if hauled offsite:
Operator Name: _____
Lease Name: _____ License #: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Permit #: _____

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.

Submitted Electronically

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: Deanna Garbar Date: 06/28/2012



1085874

Operator Name: Palomino Petroleum, Inc. Lease Name: Richard Dearden Well #: 1
 Sec. 24 Twp. 19 S. R. 32 East West County: Scott

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 Sonic	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum Attached Attached Attached
--	---

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	12.2500	8.6250	23.0	212	Class A	165	2% gel, 3% c.c.
Production	7.8750	5.50	15.50	5457	SMD	175	500 gal mud flush, whicd 20 bbls KCL

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: <u>2.8750</u> Set At: <u>5426</u> Packer At: <u>4171</u> 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: _____ _____
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Form	ACO1 - Well Completion
Operator	Palomino Petroleum, Inc.
Well Name	Richard Dearden 1
Doc ID	1085874

Tops

Anhy.	2240	(+ 743)
Base Anhy.	2300	(+ 683)
Heebner	3932	(- 949)
Lansing	3976	(- 993)
Muncie Creek	4166	(-1183)
Stark	4270	(-1287)
Hushpuckney	4308	(-1325)
BKC	4388	(-1405)
Marmaton	4409	(-1426)
Pawnee	4490	(-1507)
Ft. Scott	4534	(-1551)
Miss.	4650	(-1667)
Gil. City	5100	(-2117)
B. Gil. City	5226	(-2243)
Viola	5238	(-2255)
Arbuckle	5396	(-2413)
LTD	5603	(-2620)

SWIFT



Services, Inc.

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



Invoice

DATE	INVOICE #
4/25/2012	21694

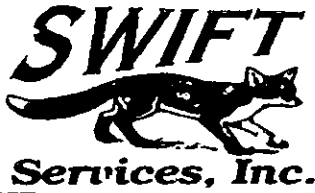
BILL TO
Palomino Petroleum Inc. 4924 S E 84th Street Newton, KS 67114-8827

RECEIVED

APR 27 2012

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Richard Dear...	Scott	DS&W Well Servi...	Oil	Workover	Tools	Wayne
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
100	Mileage - Tool Man				50	Miles	2.00	100.00T
101	5 1/2" CST Service Packer Rental				1	Each	1,000.00	1,000.00T
	Subtotal							1,100.00
	Sales Tax Scott County						8.30%	91.30
Thank You For Your Business!							Total	\$1,191.30



CHARGE TO Palomino Petroleum
ADDRESS
CITY, STATE, ZIP CODE

TICKET
No 21694

PAGE 1 OF 1

1. SERVICE LOCATIONS NESS CITY, KS	WELL/PROJECT NO. #1	LEASE RICHARD DEARDEN	COUNTY/PARISH SCOTT	STATE Ks	CITY	DATE 4-25-12	OWNER SAME
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR DS-W	RIG NAME/NO.	SHIPPED VIA CT	DELIVERED TO LOCATION	ORDER NO.	
3.	WELL TYPE OIL	WELL CATEGORY WORKOVER	JOB PURPOSE TOOLS	WELL PERMIT NO.		WELL LOCATION GARRESTON, KS-3w, 6 1/2s	
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
100		1			MILEAGE # 04		50	MI		2.00	100.00
101		1			SERVICE PACKER RENTAL CST		1	EA	5 1/2"	1000.00	1000.00

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 *Luke Doyher*
DATE SIGNED **4-25-12** TIME SIGNED **1230**

AM
 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	1100.00
Scott TAX 8.3%	91.3
TOTAL	1191.3

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

SWIFT OPERATOR **Wayne Wilson** APPROVAL _____

Thank You

SWIFT



Services, Inc.

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



Invoice

DATE	INVOICE #
4/25/2012	21693

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

RECEIVED
APR 27 2012

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Richard Dear...	Scott	DS&W Well Servi...	Oil	Workover	Squeeze Perforat...	Wayne
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575W	Mileage - 1 Way				50	Miles	6.00	300.00T
578W-D	Pump Charge - Deep Squeeze (> 1500 Ft.) - 4436 Fcet				1	Job	1,500.00	1,500.00T
325	Standard Cement				250	Sacks	13.50	3,375.00T
290	D-Air				3	Gallon(s)	35.00	105.00T
581W	Service Charge Cement				250	Sacks	2.00	500.00T
583W	Drayage				587.5	Ton Miles	1.00	587.50T
	Subtotal							6,367.50
	Sales Tax Scott County						8.30%	528.50
We Appreciate Your Business!							Total	\$6,896.00



CHARGE TO PALOMINO PETROLEUM
ADDRESS
CITY, STATE, ZIP CODE

TICKET
No 21693

PAGE	OF
1	1

SERVICE LOCATIONS 1. NESS City, KS	WELL/PROJECT NO. #1	LEASE RICHARD DEARDEW	COUNTY/PARISH SCOTT	STATE KS	CITY	DATE 4-25-12	OWNER SAME
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR DS-W	RIG NAME/NO	SHIPPED VIA CT	DELIVERED TO LOCATION	ORDER NO.	
3.	WELL TYPE Oil	WELL CATEGORY WORKOVER	JOB PURPOSE SQUEEZE PERFORATIONS	WELL PERMIT NO.	WELL LOCATION CORRECTOR, KS - 3W, 6 1/2		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	ACCOUNT
		LOC	ACCT	DF							
575		1			MILEAGE ^a 110			50	MI	6.00	300.00
578		1			PUMP CHARGE			1	DOB	1500.00	1500.00
325		1			STANDARD CEMENT			250	SKS	13.50	3375.00
290		1			D-ADR			3	GAL	35.00	105.00
581		1			SERVICE CHARGE CEMENT			250	SKS	2.00	500.00
583		1			DRAINAGE			23500	LBS	587.50	587.50

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 *Lyle Dykes*
DATE SIGNED **4-25-12** TIME SIGNED **0900** 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?					6367.50
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	6896.00

SCOTT TAX 6.3% 526.50

SWIFT OPERATOR **WAYNE WILSON** 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 4-25-12 PAGE NO 7-2

CUSTOMER **PALOMAR PETROLEUM** WELL NO. **#1** LEASE **RICHARD DEARDEN** JOB TYPE **SQUEEZE PERFORATIONS** TICKET NO. **21693**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBLS/HR)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0900							ON LOCATION
								TUBING-2 3/8 CASING-5 1/2 - 1515'
								PERF-4321-26 4434-36
								PACKER-4171' (17' out)
	0915		8	✓		1500		PKR = 4451' LEAKS 1000 PSC DROP (5' MIN)
	0935		8	✓		1500		DROP STANDING VALVE - PKR RELEASED - HELD
	1015		8	✓		1500		PKR = 4482' TEST - LEAKS - FULL PACKER
	1230							RUN 5 1/2" CST - PACKER IN WELL
	1350		7	✓		1500		PKR = 4482' TEST - HELD
	1415		30		✓			PKR = 4171 SET - LOAD ANNULUS - LEASE OPEN
	1420	3	10	✓		500		INT RATE
	1425	2 1/2	37	✓		700 ^{NOG}		MIX 175 SBA STANDARD CEMENT
	1440	2 1/2	0	✓		700		DISPLACE CEMENT
		2 1/2	3	✓		1100		"
		1 3/4	12	✓		1050		"
		1 1/2	16 1/4	✓		1250		" TUBING CLEAR
	1449	1	17 3/4	✓		1100		" SHUT DOWN
	1455	1/2	18 3/4	✓		900/1200		STAGE - SHUT DOWN
	1500					900		SHUT IN - WASH TRUCK
	1600			✓		400/1500		STAGE - HELD
	1605					2000		"
	1615					2000		RELEASE PSE - HELD TOC = 4275' ±
	1620	3 1/2	25	✓		400		REVERSE CLEAN 160 SBA CMT TO PERFS
								PULL PACKER TO 3888' 2 ND SQUEEZE

JOB LOG

SWIFT Services, Inc.

DATE **4-25-12** PAGE NO. **2-2**

CUSTOMER **Palomares Petroleum** WELL NO. **41** LEASE **RICHARD DEARDEN** JOB TYPE **SQUEEZE PERFORATIONS** TICKET NO. **21693**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL/GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
								PAGE 2-2
								TUB - 2 3/8 CASING - 5 1/2
								PERFS - 4017-21
								PACKER - 3888 (26 out)
	1640		1 1/2		✓		500	PSE ANNULUS - HELD - SHUT IN
	1645	2	5	✓		1600		ZWT RATE
	1650	1 1/2	16	✓		600 AVG		MAX 75 SPS STANDARD CEMENT
	1700	1 1/2	0	✓		300		DISPLACE CEMENT
		1 1/2	3	✓		600		"
		1 1/2	12	✓		1300		"
		1	15	✓		1500		" TUBING CLEAR
	1710	1	17 1/4	✓		1600		" SHUT DOWN
	1715					1300		SHUT IN - WASH TRUCK
	1800			✓		1000/1500		STAGE - HELD
	1810			✓		1500/1750		"
	1815			✓		1750/2250		"
	1830			✓		2250		RELEASE - HELD
	1840	3 1/2	25	✓		400		REVERSE CLEAN
	1900			✓		500		PULL 4 JTS - PSE SQUEEZE - HELD - SHUT IN
								TOC - 3975' ±
								65 SPS CMT IN PERFS
	1930							JOB COMPLETE
								THANK YOU
								WAYNE, JEFF, ISAAC

SWIFT



Services, Inc.

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



Invoice

DATE	INVOICE #
2/16/2012	21645

RECEIVED
FEB 16 2012

- o Acidizing
- o Cement
- o Tool Rental

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

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Richard Dear...	Scott	Cheyenne Well Se...	Oil	Development	Cement Port Collar	Jason
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - I Way				60	Miles	6.00	360.00
576D-D	Pump Charge - Port Collar				1	Job	1,250.00	1,250.00
105	Port Collar Tool Rental With Man				1	Each	350.00	350.00T
276	Flocele				43	Lb(s)	2.00	86.00T
290	D-Air				1.5	Gallon(s)	35.00	52.50T
107	Stripper Head Rental Per Day				1	Each	250.00	250.00T
330	Swift Multi-Density Standard (MIDCON II)				170	Sacks	16.50	2,805.00T
581D	Service Charge Cement				235	Sacks	2.00	470.00
583D	Drayage				699.6	Ton Miles	1.00	699.60
	Subtotal							6,323.10
	Sales Tax Scott County						8.30%	294.11
We Appreciate Your Business!							Total	\$6,617.21



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

TICKET
 No 21645

PAGE 1 OF

SERVICE LOCATIONS
 1. **NESS CITY, KS** WELL/PROJECT NO. LEASE **RICHARD DEARCENT** COUNTY/PARISH **SCOTT** STATE **KS** CITY **GRIGSTON, KS** DATE **16 FEB 12** OWNER
 2. TICKET TYPE SERVICE SALES CONTRACTOR **MAEYENNE WELL SERV** RIG NAME/NO. SHIPPED VIA DELIVERED TO ORDER NO.
 3. WELL TYPE **OIL** WELL CATEGORY **DEVELOPMENT** JOB PURPOSE **CEMENT PORT COLLAR** WELL PERMIT NO. WELL LOCATION **3W, 7 1/2 S**
 4. REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		ACCOUNT
		LOC	ACCT	DF			U/M		U/M	
575					MILEAGE #110	60	MIL	6	60	3600
576D					Pump CHARGE		KWS	1250	1	1250
105					PORT COLLAR OPENING TOOL	1	350	350	1	350
276					FLOCELE	43	1/16	2	86	86
290					D-AIR	12	1/2	35	52	52
107					STRIPPER HEAD RENTAL		KWS	250	1	250
330					SWIFT MULTI DENSITY	170	16	16	2805	2805
581					SERVICE CHARGE CEMENT	235	2	2	470	470
583					DRAVAGE	23320	1/16	699.6	1	699.6

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

DATE SIGNED **16 FEB 12** TIME SIGNED **1700** 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?				6323
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

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

SWIFT OPERATOR **Jan E. Kato** APPROVAL

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 16 FEB 12 PAGE NO.

CUSTOMER
VALMINO PETROLEUM

WELL NO.

LEASE
RICHARD DEARDEN #1

JOB TYPE
CEMENT PORT COLLAR

TICKET NO.
21645

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1500							ON LOCATION
								PORT COLLAR @ 2233
	1543				✓		1000	TEST HELD
	1550	3			✓		600	OPEN PORT COLLAR TAKE INT. RATE
	1555	4	94		✓		800 ↓	MIX 170 SX SMD
		3 1/2	7 1/2		✓		300	DISPLACE CEMENT
								CIRCULATE 2 DSX TO PIT
1621	1555				✓		1000	CLOSE PORT COLLAR TEST HELD
								RUN 4 JTS.
	1628	4	21		✓		300	REVERSE CEMENT OUT OF TUBING
	1632							WASH TRUCK
	1700							JOB COMPLETE
								THANKS # 110
								JASON JEFF DAVE K.



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



Invoice

DATE	INVOICE #
2/13/2012	21642

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

RECEIVED FEB 17 2012

- o Acidizing
- o Cement
- o Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Richard Dear...	Scott	Pickrell Drilling R...	Oil	Development	5-1/2" LongString	Jason

PRICE REF.	DESCRIPTION	QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way	60	Miles	6.00	360.00
578D-L	Pump Charge - Long String - 5457 Feet	1	Job	1,500.00	1,500.00
402-5	5 1/2" Centralizer	10	Each	70.00	700.00T
403-5	5 1/2" Cement Basket	4	Each	250.00	1,000.00T
404-5	5 1/2" Port Collar - 2233 Feet	1	Each	2,400.00	2,400.00T
405-5	5 1/2" Formation Packer Shoe	1	Each	1,400.00	1,400.00T
406-5	5 1/2" Latch Down Plug & Baffle	1	Each	250.00	250.00T
409-5	5 1/2" Turbolizer	5	Each	90.00	450.00T
281	Mud Flush	500	Gallon(s)	1.25	625.00T
221	Liquid KCL (Clayfix)	2	Gallon(s)	25.00	50.00T
276	Flocele	50	Lb(s)	2.00	100.00T
290	D-Air	2	Gallon(s)	35.00	70.00T
330	Swift Multi-Density Standard (MIDCON II)	200	Sacks	16.50	3,300.00T
581D	Service Charge Cement	200	Sacks	2.00	400.00
583D	Drayage	599.1	Ton Miles	1.00	599.10
	Subtotal				13,204.10
	Sales Tax Scott County			8.30%	858.64

We Appreciate Your Business!	Total	\$14,062.74
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CHARGE TO: **PALOMINO PETROLEUM**
 ADDRESS:
 CITY, STATE, ZIP CODE:

TICKET No 21642

SERVICE LOCATIONS: 1. **NESS CITY, KS**

WELL/PROJECT NO. **#1** LEASE **RICHARD DEARDEN** COUNTY/PARISH **SCOTT** STATE **KS.** CITY **GRIGSTON, KS.** DATE **13 FEB 12** OWNER:

TICKET TYPE: SERVICE SALES CONTRACTOR **PICKRELL DRILLING RIG #10** RIG NAME/NO. SHIPPED VIA DELIVERED TO ORDER NO.

WELL TYPE **OIL** WELL CATEGORY **DEVELOPMENT** JOB PURPOSE **5 1/2 LONGSTRING** WELL PERMIT NO. WELL LOCATION **3 W, 8 S, 2 W, S 1 W 2**

REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UM		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575					MILEAGE #110	60		mk		6.00	360.00
578					PUMP CHARGE	1		NOB.	5457 FT	1500.00	1500.00
402					CENTRALIZERS	10		EA		70.00	700.00
403					CEMENT BASKETS	4		EA		250.00	1000.00
404					PORT COLLAR	1		EA	2233 FT	2400.00	2400.00
405					FORMATION PACKER SHOE	1		EA		1400.00	1400.00
406					LATCH DOWN FLUG & BAFFLE	1		EA		250.00	250.00
409					TURBO-LIZER	5		EA		90.00	450.00
281					MUD FLUSH	500		gal		1.25	625.00
221					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

[Signature]

DATE SIGNED **13 FEB 12** TIME SIGNED **1830** 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?				1 8735.00
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				2 4469.10
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX subtotal 13204.10
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO		8581.61
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL 14,062.71

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

SWIFT OPERATOR *[Signature]* APPROVAL

Thank You



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

TICKET CONTINUATION

TICKET No. 21642

CUSTOMER: FALDMIND PETROLEUM
DATE: 13 FEB 12
PAGE 2 OF 2

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOG	ACCT	DF			QTY.	UM	QTY.	UM	
276						FLOCELE	50	lbs	2	100	100
290						D-AIR	2	gal	35	00	70
330						SWIFT MULTI DENSITY	200	sq	16	50	3300
581						SERVICE CHARGE	200	sq	2	00	400
583						MILEAGE CHARGE	199	TD	1	00	599
						TOTAL WEIGHT					
						LOADED MILES					
						CUBIC FEET					
						TON MILES					

CONTINUATION TOTAL 4469¹⁰

JOB LOG

SWIFT Services, Inc.

DATE 13 FEB 12 PAGE NO.

CUSTOMER YALOMINO PETROLEUM

WELL NO.

LEASE RICHARD DEARDEN #1

JOB TYPE 5 1/2 LONGSTRINGS

TICKET NO. 21642

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1100							ON LOCATION
	1415							START PIPE 5 1/2 - 15.5# RTD @ 5600 SET @ 5457 SHOE JT 31.39 CENTRALIZERS 1, 2, 5, 10, 15, 20, 25, 30, 31, 32, 33, 34, 35, 37, 76 (TURBOLIZERS 1, 2, 31, 33, 35) CEMENT BASKETS 3, 30, 38, 77 PORT COLLAR TOP OF JT, #77 @ 2233
	1620				✓		1100	SET PACKER SHOE CIRCULATE
	1706	6	12		✓		400	Pump 500 gal MUD FLUSH
	1708	6	20		✓		400	Pump 20 BBL KCL FLUSH
	1720		7					PLUG RH (30sx)
	1722	4	25 1/2		✓			MIX CEMENT 70sx SMD @ 12.7ppg
		4	26		✓			100sx SMD @ 14.5ppg
	1742							WASH OUT PUMPING LINES
	1745	6			✓			START DISPLACEMENT
	1810		129		✓		1500	PLUG DOWN PSI UP LATCH PLUG IN
	1812							RELEASE PSI DRY
	1814							WASH TRUCK
	1830							JOB COMPLETE THANKS #110 JASON JEFF DUG



PO Box 93999
Southlake, TX 76092

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

INVOICE

Invoice Number: 130050
Invoice Date: Jan 30, 2012
Page: 1

RECEIVED

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

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Palo	Richard Dearden #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Great Bend	Jan 30, 2012	2/29/12

Quantity	Item	Description	Unit Price	Amount
165.00	MAT	Class A Common	16.25	2,681.25
3.00	MAT	Gel	21.25	63.75
6.00	MAT	Chlride	58.20	349.20
174.00	SER	Handling	2.25	391.50
50.00	SER	Mileage 174 sx @.11 per sk per mi	19.14	957.00
1.00	SER	Surface	1,125.00	1,125.00
100.00	SER	Pump Truck Mileage	7.00	700.00
100.00	SER	Light Vehicle Mileage	4.00	400.00
1.00	EQUIP OPER	Greg Redetzke		
1.00	OPER ASSIST	Shane Konzem		
1.00	EQUIP OPER	Dustin Chambers		
1.00	OPER ASSIST	Jimmy Henkle		

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

\$ 2362.04

ONLY IF PAID ON OR BEFORE
Feb 24, 2012

Subtotal	6,667.70
Sales Tax	225.88
Total Invoice Amount	6,893.58
Payment/Credit Applied	
TOTAL	6,893.58

ALLIED CEMENTING CO. LLC. 042399

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

SERVICE POINT
Great Bend, KS
1-31-12

DATE <u>1-30-12</u>	SEC <u>24</u>	TWP <u>19s</u>	RANGE <u>32W</u>	CALLED OUT	ON LOCATION	JOB START <u>9:30 AM</u>	JOB FINISH <u>4:00 PM</u>
LEASE <u>Near den</u>	WELL # <u>1</u>	LOCATION <u>Hwy #96 east of Scott City</u>			COUNTY <u>Scott</u>	STATE <u>KS</u>	
OLD OR (NEW) Circle one		<u>KS to Wym #68, 6 1/2 south 1/2 west into</u>					

CONTRACTOR Pickrell Rig #10 OWNER Polonio Petroleum

TYPE OF JOB <u>Surface</u>	CEMENT
HOLE SIZE <u>12 1/4</u> T.D. <u>218</u>	AMOUNT ORDERED <u>165 sks Class A</u>
CASING SIZE <u>8 5/8</u> DEPTH <u>218</u>	<u>20% cc 20% gel</u>
TUBING SIZE DEPTH	
DRILL PIPE DEPTH	
TOOL DEPTH	
PRES. MAX MINIMUM	COMMON <u>165</u> @ <u>16.25</u> <u>2681.25</u>
MEAS. LINE SHOE JOINT	POZMIX @
CEMENT LEFT IN CSG. <u>15 ft.</u>	GEL <u>3</u> @ <u>21.25</u> <u>63.75</u>
PERFS.	CHLORIDE <u>6</u> @ <u>58.20</u> <u>349.20</u>
DISPLACEMENT	ASC @

EQUIPMENT

PUMP TRUCK	CEMENTER <u>Eric & Shrek</u>
# <u>366</u>	HELPER <u>Dustin C</u>
BULK TRUCK	
# <u>344/170</u>	DRIVER <u>Jimmy H.</u>
BULK TRUCK	
#	DRIVER

REMARKS:
Pipe in bottom - Break circulation
with rig mud. Hook up cement
plung and mix 165 sks Class
A 30% cc, 20% gel, displace with
16.93 DBL resturitor
Cement did circulate
plug down to 4:00 AM
Rig down

CHARGE TO: Polonio Petroleum

STREET _____

CITY _____ STATE _____ ZIP _____

HANDLING <u>174</u>	@ <u>2.25</u>	<u>391.50</u>
MILEAGE <u>174 x .50 x .11</u>		<u>957.00</u>
TOTAL		<u>4442.20</u>

SERVICE

DEPTH OF JOB <u>218</u>		
PUMP TRUCK CHARGE	<u>1125.00</u>	
EXTRA FOOTAGE @		
MILEAGE <u>HUM 100</u>	@ <u>7.00</u>	<u>700.00</u>
MANIFOLD @		
<u>LUM 100</u>	@ <u>4.00</u>	<u>400.00</u>
TOTAL		<u>2,225.00</u>

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.

PRINTED NAME * MIKE KERN

SIGNATURE * Mike Kern

Thank You!

SALES TAX (If Any) _____

TOTAL CHARGES 6,667.20

DISCOUNT 70% 20% 2,362.09 IF PAID IN 30 DAYS

4,305.54

Company **Palomino Petroleum, Inc.**
 Address **4924 SE 84th Street**
 CSZ **Newton, KS 67114**
 Attn. **Sean Deenhan**

Lease Name **Richard Dearden**
 Lease # **1**
 Legal Desc **SW NE NW SE**
 Section **24**
 Township **19S**
 County **Scott**
 Drilling Cont **Pickrell Drilling #10**

Job Ticket **3461**
 Range **32W**
 State **KS**

Comments **Field: Rodeo Road SW**

GENERAL INFORMATION

Test # 1
 Tester **Jimmy Ricketts**
 Test Type **Conventional Bottom Hole**
 # of Packers **2.0** Packer Size **6 3/4**

Mud Type **Gel Chem**
 Mud Weight **9.4** Viscosity **60.0**
 Filtrate **8.0** Chlorides **1800**

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

Formation **Lansing C & D**
 Interval Top **3995.0** Bottom **4034.0**
 Anchor Len Below **39.0** Between **0**
 Total Depth **4034.0**

Blow Type **Weak blow building to 10 inches initial flow period. Weak blow building to 6 inches final flow period. Times: 31, 31, 31, 32. API gravity of oil was 31.**

Chokes **3/4** Hole Size **7 7/8**
 Top Recorder # **13767**
 Mid Recorder #
 Bott Recorder # **w1022**

Mileage **32** Approved By
 Standby Time **0**
 Extra Equipmnt **Jars & Safety Joint**
 Time on Site **4:00 AM**
 Tool Picked Up **6:00 AM**
 Tool Layed Dwn **11:00 AM**

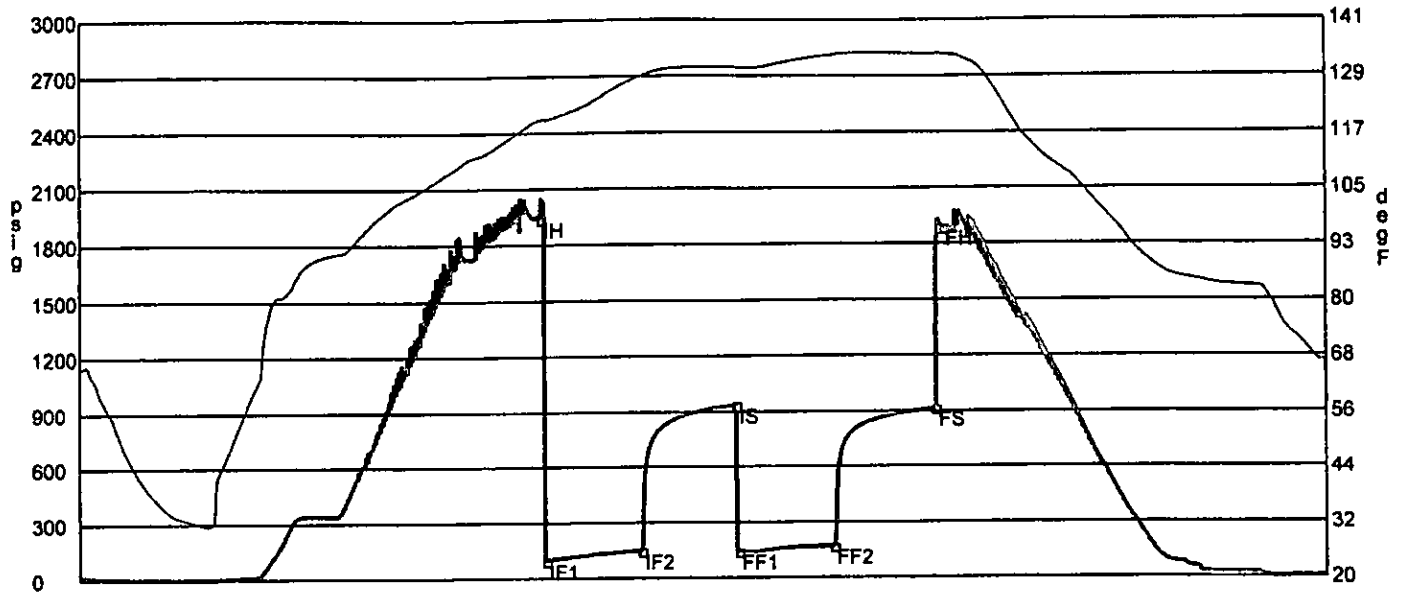
Elevation **2976.00** Kelley Bushings **2983.00**

Start Date/Time **2/6/2012 5:27 AM**
 End Date/Time **2/6/2012 12:05 PM**

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
30	Clean oil	0% 0ft	100% 30ft	0% 0ft	0% 0ft
125	Oil and heavy water cut mud	0% 0ft	2% 2.5ft	39% 48.8ft	59% 73.8ft
60	Oil and heavy mud cut water	0% 0ft	6% 3.6ft	51% 30.6ft	43% 25.8ft

DST Fluids **30000**



	Date	Time	Pressure	Temp	
IH	2/6/2012 7:53:30 AM	2.441667	1938.758	119.533	Initial Hydro-static
IF1	2/6/2012 7:55:00 AM	2.466667	93.786	119.554	Initial Flow (1)
IF2	2/6/2012 8:25:50 AM	2.980556	147.49	128.833	Initial Flow (2)
IS	2/6/2012 8:56:20 AM	3.488889	935.029	130.8	Initial Shut-In
FF1	2/6/2012 8:57:00 AM	3.5	140.886	130.668	Final Flow (1)
FF2	2/6/2012 9:27:20 AM	4.005556	169.274	133.415	Final Flow (2)
FS	2/6/2012 10:00:20 AM	4.555556	914.263	133.647	Final Shut-In
FH	2/6/2012 10:02:50 AM	4.597222	1884.839	133.72	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

Company	Palomino Petroleum, Inc.	Lease Name	Richard Dearden
Address	4924 SE 84th Street	Lease #	1
CSZ	Newton, KS 67114	Legal Desc	SW NE NW SE
Attn.	Sean Deenhan	Section	24
		Township	19S
		County	Scott
		Drilling Cont	Pickrell Drilling #10
Job Ticket		Range	3461 32W
		State	KS

Comments **Field: Rodeo Road SW**

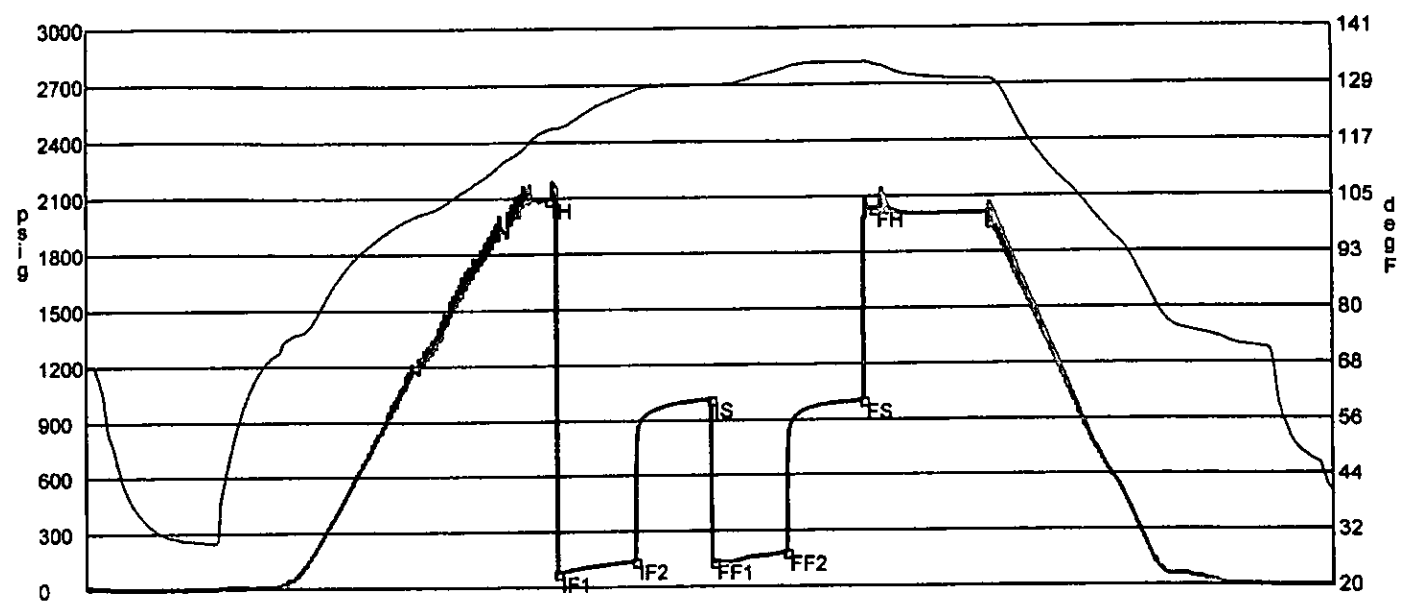
GENERAL INFORMATION

Test # 2	Test Date	2/7/2012	Chokes	3/4	Hole Size	7 7/8
Tester	Jimmy Ricketts		Top Recorder #	13767		
Test Type	Conventional Bottom Hole		Mid Recorder #			
	Successful Test		Bott Recorder #	w1022		
# of Packers	2.0	Packer Size	6 3/4	Mileage	64	Approved By
				Standby Time	0	
Mud Type	Gel Chem			Extra Equipmnt	Jars & Safety Joint	
Mud Weight	9.4	Viscosity	48.0	Time on Site	10:30 AM	
Filtrate	10.0	Chlorides	3000	Tool Picked Up	5:45 PM	
				Tool Layed Dwn	1:00 AM	
Drill Collar Len	0			Elevation	2976.00	Kelley Bushings
Wght Pipe Len	0					2983.00
Formation	Hertha			Start Date/Time	2/7/2012 5:12 PM	
Interval Top	4266.0	Bottom	4344.0	End Date/Time	2/8/2012 1:17 AM	
Anchor Len Below	78.0	Between	0			
Total Depth	4344.0					
Blow Type	Weak blow building to 11 inches initial flow period. Weak blow building to 9 inches final flow period. Times: 30, 30, 30, 30. API gravity was 32.					

RECOVERY

Feet	Description	Gas	Oil	Water	Mud
60	Gas in pipe	100% 60ft	0% 0ft	0% 0ft	0% 0ft
3	Clean oil	0% 0ft	100% 3ft	0% 0ft	0% 0ft
120	Oil cut mud	0% 0ft	2% 2.4ft	0% 0ft	98% 117.6ft
120	Oil and heavy water cut mud	0% 0ft	2% 2.4ft	23% 27.6ft	75% 90ft

DST Fluids **18000**



	Date	Time	Pressure	Temp	
IH	2/7/2012 8:11:20 PM	2.988889	2090.413	119.333	Initial Hydro-static
IF1	2/7/2012 8:14:30 PM	3.041667	73.481	119.607	Initial Flow (1)
IF2	2/7/2012 8:44:50 PM	3.547222	138.299	127.692	Initial Flow (2)
IS	2/7/2012 9:14:50 PM	4.047222	1012.145	128.922	Initial Shut-In
FF1	2/7/2012 9:15:40 PM	4.061111	133.912	128.796	Final Flow (1)
FF2	2/7/2012 9:44:10 PM	4.536111	180.453	132.393	Final Flow (2)
FS	2/7/2012 10:14:10 PM	5.036111	1000.715	133.487	Final Shut-In
FH	2/7/2012 10:18:20 PM	5.105556	2030.999	133.219	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke