



KANSAS CORPORATION COMMISSION 1086163  
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 # 4958  
Name: Mallard, J. V., 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 #: \_\_\_\_\_

<u>02/10/2012</u>	<u>02/19/2012</u>	<u>02/19/2012</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-135-25359-00-00  
Spot Description: \_\_\_\_\_  
NW SE NE SE Sec. 20 Twp. 19 S. R. 24  East  West  
1664 Feet from  North /  South Line of Section  
359 Feet from  East /  West Line of Section

Footages Calculated from Nearest Outside Section Corner:  
 NE     NW     SE     SW  
County: Ness  
Lease Name: Bill Mellies Well #: 1  
Field Name: None (Wildcat)  
Producing Formation: Mississippian  
Elevation: Ground: 2304 Kelly Bushing: 2309  
Total Depth: 4417 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 814 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: 5500 ppm Fluid volume: 240 bbls  
Dewatering method used: Hauled to Disposal  
Location of fluid disposal if hauled offsite:  
Operator Name: Cheyenne Oil Service, Inc.  
Lease Name: Fink License #: 7146  
Quarter SE Sec. 24 Twp. 16 S. R. 27  East  West  
County: Lane Permit #: D21617

**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 Gombos Date: 07/09/2012



1086163

Operator Name: Palomino Petroleum, Inc. Lease Name: Bill Mellies Well #: 1  
 Sec. 20 Twp. 19 S. R. 24  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 (Attach Additional Sheets)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name Attached	Top Attached	Datum Attached
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 (If no, Submit Copy)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
List All E. Logs Run:				
Radiation Log				

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	12.25	8.6250	23	814	Class A	400	2% gel, 3% c.c.
Production	7.6250	5.50	14	4416	SMD & EA-2	145	500 gal mud flush water 23 lbs. KCL

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
<input checked="" type="checkbox"/> Perforate				
<input type="checkbox"/> Protect Casing	4367-4370	Standard	75	15% NE
<input type="checkbox"/> Plug Back TD				
<input type="checkbox"/> Plug Off Zone	4374-4376			

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
4	4367-4370		
4	4374-4376		

TUBING RECORD:	Size: <u>2 7/8</u>	Set At: <u>4392</u>	Packer At:	Liner Run: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR. <u>04/26/2012</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>91</u>	Gas Mcf	Water Bbls. <u>6</u>	Gas-Oil Ratio Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease (If vented, Submit ACO-18.)	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled (Submit ACO-5) (Submit ACO-4) <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
--	--	--

Form	ACO1 - Well Completion
Operator	Palomino Petroleum, Inc.
Well Name	Bill Mellies 1
Doc ID	1086163

Tops

Anhy.	1581	(+ 728)
Base Anhh.	1621	(+ 688)
Topeka	3388	(-1079)
Heebner	3705	(-1396)
LKC	3747	(-1438)
BKC	4065	(-1765)
Marmaton	4109	(-1800)
Pawnee	4182	(-1873)
Ft. Scott	4262	(-1953)
Cherokee	4286	(-1977)
Miss. Dolo.	4365	(-2056)
LTD	4417	(-2108)

# SWIFT



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



RECEIVED

APR 16 2012

## Invoice

DATE	INVOICE #
4/12/2012	22121

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	Bill Mellies	Ness	DS&W Well Servi...	Oil	Development	Acidize Formation	Dusty

PRICE REF.	DESCRIPTION	QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way	20	Miles	6.00	120.00
501D	Acid Pump Charge	1	Job	650.00	650.00
301 - 20%	FE Acid	400	Gallons	2.60	1,040.00
230	Surf-3 ESA-N35 (Losurf 300)	2	Gallon(s)	25.00	50.00
232	Musal ESA-64	8	Gallon(s)	20.00	160.00
235	INH.1 ESA-28	1	Gallon(s)	35.00	35.00
254	Micell-1	1	Gallon(s)	40.00	40.00
	Subtotal				2,095.00
	Sales Tax Ness County			6.30%	0.00

**We Appreciate Your Business!**

**Total**

**\$2,095.00**



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

TICKET  
 No 22121

PAGE 1 OF 1

SERVICE LOCATIONS 1. <b>NESS CITY KS.</b>	WELL/PROJECT NO. #1	LEASE BELL MELLIES	COUNTY/PARISH NESS CO	STATE KS.	CITY NESS CITY KS.	DATE 04/12/12	OWNER
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR DS: W	RIG NAME/NO. JEM	SHIPPED VIA	DELIVERED TO 4W. RD N, 4 1/2 S., W.	ORDER NO. CMTD	
3.	WELL TYPE OIL WELL	WELL CATEGORY DEVELOPMENT	JOB PURPOSE ACIDIZING FORMATION	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		QTY.	UM	QTY.	UM	
500		1			MILEAGE 107	1	@	20	mi	120.00
501		1			ACID Pump CHARGE	1	@	650		650.00
301		1			FE ACID w/NE ADDITIVES	400	gal	20	%	1040.00
230		1			SURE-3	2	gal	25		50.00
232		1			MUSAL	8	gal	20	%	160.00
235		1			INITIB-1	1	gal	35		35.00
254		1			MICELL-1	1	gal	40		40.00

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

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

DATE SIGNED **04 12 12** TIME SIGNED **13 20**  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	2095.00
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?					
WE UNDERSTOOD AND MET YOUR NEEDS?					
OUR SERVICE WAS PERFORMED WITHOUT DELAY?					
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?					
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO			
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL	2095.00

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

SWIFT OPERATOR **DUSTY D. FULLER** APPROVAL

Thank You!

**JOB LOG**

**SWIFT Services, Inc.**

DATE 04/2/12 PAGE NO. 7  
 TICKET NO. 22121

CUSTOMER PALOMINO PETROLEUM

WELL NO. #1-11

LEASE BELL MULLISS

JOB TYPE ACIDICE FORMATION

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (EACT)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1217							DN LOCATION D.S.; W SWAB TEST-TAKE. OPEN HOLE f TALL MARK PERFS. 4362-70 FED HT. SPOT 5 1/2 x 14 # TUBING 4370' .0244 BW/A CS. 4370 106.628 B61 Tb. B TOTAL 106.628 B61
	1225	4.5	125		✓		0	START PUMPING ACID
		2	9.50		✓		0	DN FLUSH
		5	24.50		✓		0	
		5	39.50		✓		0	
		4.75	54.50		✓		0	
		4.75	69.50		✓		0	
		4.5	84.50		✓		0	
		4.5	99.50		✓		0	
		2	104		✓		0	
		2	106		✓		0	ACID DN BOTTOM
		2	110		✓		0	4 B61 ACID OUT
		2	113		✓		0	7 B61 ACID OUT SWEAT PST. (NEEDLE TWENTY)
		2	116		✓		0	ACID OUT
	1300	0	118		✓		VAL	INSTANTLY REN DOWN TICKETS.
	1320							Job Completed
								THANK YOU DUSTY & RUSSELL

# SWIFT



Services, Inc.

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

RECEIVED

APR 12 2012

## Invoice

DATE	INVOICE #
4/9/2012	22117

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	Bill Mellies	Ness	DS&W Well Servi...	Oil	Development	Acid Dump	Dusty
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
500D	Mileage - 1 Way				20	Miles	6.00	120.00
502	Delivery Charge (4 Hour Minimum)				5	Hours	70.00	350.00
303 - 15%	MCA Acid				200	Gallons	2.35	470.00
232	Musal ESA-64				4	Gallon(s)	20.00	80.00
235	INH.1 ESA-28				1	Gallon(s)	35.00	35.00
221	Liquid KCL (Clayfix)				1	Gallon(s)	25.00	25.00
	Subtotal							1.080.00
	Sales Tax Ness County						6.30%	0.00
<b>We Appreciate Your Business!</b>							<b>Total</b>	\$1.080.00



CHARGE TO  
Palomares Petroleum Inc.  
 ADDRESS  
 CITY, STATE, ZIP CODE

TICKET  
 No 22117

PAGE 1 OF 1

SERVICE LOCATIONS  
 1. NESS CITY KS WELL/PROJECT NO. #1 LEASE BELL MELLERS COUNTY/PARISH NESS Co. STATE KS. CITY NESS CITY KS DATE 04 09 12 OWNER  
 2. TICKET TYPE  SERVICE  SALES CONTRACTOR D S I W RIG NAME/NO Tom SHIPPED VIA 4W-ROAD, 4745, WINTO DELIVERED TO WINTO ORDER NO.  
 3. WELL TYPE DEL WELL WELL CATEGORY DEVELOPMENT JOB PURPOSE ACED Dump WELL PERMIT NO. WELL LOCATION see 20-195-24W  
 4. REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE RENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UM		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
500		1			MILEAGE 107	1	e	20	ml	6.00	120.00
502		1			DELIVERY CHARGES	1	@	5	hrs	70.00	350.00
303		1			MCA ACID	200	gal	15	lb	2.35	470.00
232		1			MUSAL	4	gal			20.00	80.00
235		1			INITIAL	1	gal			35.00	35.00
221		1			DIAMOND KEL	1	gal			25.00	25.00
					Pump ACED! Flusit						

**LEGAL TERMS:** Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.  
 MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS  
 X  
 DATE SIGNED 04 09 12 TIME SIGNED 11:30  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?				1080.00
WE UNDERSTOOD AND MET YOUR NEEDS?				
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				New TAX 6.3%
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO		
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL 1080.00

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket  
 SWIFT OPERATOR DUSTY D. FRANK APPROVAL

Thank You



# SWIFT



*Services, Inc.*

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



## Invoice

DATE	INVOICE #
3/27/2012	22037

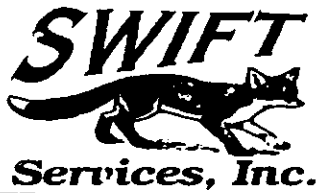
BILL TO
Palomino Petroleum Inc. 4924 S E 84th Street Newton, KS 67114-8827

RECEIVED

MAR 30 2012

- o Acidizing
- o Cement
- o Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Bill Mellies	Ness	DS&W Well Servi...	Oil	Development	Squeeze Perfs	Blaine
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				10	Miles	6.00	60.00
578D-D	Pump Charge - Deep Squeeze (> 1500 Ft.)				1	Job	1,500.00	1,500.00
325	Standard Cement				75	Sacks	13.50	1,012.50T
300 - 15%	Regular Acid				150	Gallons	1.75	262.50
235	INH.1 ESA-28				0.5	Gallon(s)	35.00	17.50
290	D-Air				1	Gallon(s)	35.00	35.00T
286	Halad-1 (Halad 9)				20	Lb(s)	7.50	150.00T
	Subtotal							3,037.50
	Sales Tax Ness County						6.30%	75.44
<b>Thank You For Your Business!</b>							<b>Total</b>	\$3,112.94



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

TICKET No 22037

PAGE 1 OF 1

SERVICE LOCATIONS 1. <u>Ness City KS</u>	WELL/PROJECT NO. <u>#1</u>	LEASE <u>B-11 Meles</u>	COUNTY/PARISH <u>Ness</u>	STATE <u>KS</u>	CITY <u>Ness City</u>	DATE <u>27 MAR 12</u>	OWNER
2.	TICKET TYPE <input type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <u>DSJW</u>	RIG NAME/NO.	SHIPPED <u>MACT</u>	DELIVERED TO <u>location</u>	ORDER NO.	
3.	WELL TYPE <u>oil</u>	WELL CATEGORY <u>Development</u>	JOB PURPOSE <u>perf squeeze</u>	WELL PERMIT NO.	WELL LOCATION		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UM		UNIT PRICE	ACCOUNT
		LOC	ACCT	DF							
575		1			MILEAGE <u>TRK 114</u>	10		mi		60.00	60.00
578		1			<u>Pump Charge</u>	1		hr		1500.00	1500.00
325		1			<u>standard cement</u>	75		bk		13.50	1012.50
300		1			<u>Regular ACID</u>	15		%	150 gal	1.75	262.50
235		1			<u>Inhib</u>				1/2 gal	35.00	17.50
290		1			<u>D-AIR</u>	1		gal		35.00	35.00
286		1			<u>Hold 1</u>	20		lb		7.50	150.00

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

x Rick Schreder  
 DATE SIGNED: \_\_\_\_\_ TIME SIGNED: \_\_\_\_\_  
 A.M.  P.M.  
11:5

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	3037.5
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	3112.9

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

SWIFT OPERATOR: MGM APPROVAL: \_\_\_\_\_

Thank You

JOB LOG

SWIFT Services, Inc.

DATE 27 MAR 12 PAGE NO.

CUSTOMER Palomares Petroleum WELL NO. #1 LEASE Bill Meles JOB TYPE Completion squeeze TICKET NO. 22037

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
								180 gal 15% NE - 75 lbs STD cement 2 3/4" x 5 1/2"
								puffs 4367-70 4374-76 packer - 4232'
	1345							on loc TRR 114
	1420	3	73			300		fill hole circ to surface - start 4 bbl acid
			89					kickout - set packer
		1/2	3			2000		pump 1/2 - 3600 pressure
		2	8			500		
	1535							mix cement (standard mix) @ 15.6 ppg casing pressure
		2	6			1000		
		2	16			1000		kickout
	1545							wash out pump & line
	1550							Displace - pressure at 3 1/2 bbl
		1/4	3 1/2			2000		
	1600	1/4	5 1/2			2000		kickout - 2 bbl behind pipe unblock trench
	1615					250		open tubing - 250 psi
	1630							stage @ 2400 psi
	1635							Release pressure to truck dialed up
						1200		Release packer Reverse out skid way
		1/4	7 1/2			1200		connect to surface
		1 1/2	16			500		tubing close
	1715							pull 3 joints
	1725					500		pressure to 500 psi - shut in
								Back up job complete
								Turn Dave T.J., ISAAC & Blaine

# SWIFT



Services, Inc.

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



## Invoice

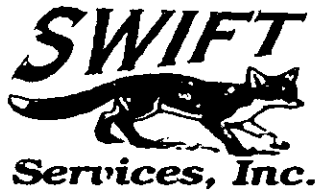
DATE	INVOICE #
2/18/2012	21649

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

RECEIVED  
FEB 22 2012

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Bill Mellies	Ness	Mallard JV	Oil	Development	5-1/2" LongString	Jason
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Milceage - 1 Way				10	Miles	6.00	60.00
578D-L	Pump Charge - Long String - 4416 Feet				1	Job	1,500.00	1,500.00
402-5	5 1/2" Centralizer				4	Each	70.00	280.00T
403-5	5 1/2" Cement Basket				3	Each	250.00	750.00T
404-5	5 1/2" Port Collar - 1553 Feet				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				6	Each	90.00	540.00T
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
283	Salt				500	Lb(s)	0.20	100.00T
284	Calseal				5	Sack(s)	35.00	175.00T
285	CFR-1				50	Lb(s)	4.00	200.00T
290	D-Air				2	Gallon(s)	35.00	70.00T
330	Swift Multi-Density Standard (MIDCON II)				100	Sacks	16.50	1,650.00T
325	Standard Cement				100	Sacks	13.50	1,350.00T
581D	Service Charge Cement				200	Sacks	2.00	400.00
582D	Minimum Drayage Charge				1	Each	250.00	250.00
	Subtotal							11,100.00
	Sales Tax Ness County						6.30%	560.07
<b>We Appreciate Your Business!</b>							<b>Total</b>	\$11,660.07



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

TICKET  
 No 21649

PAGE 1 OF 2

SERVICE LOCATIONS  
 1. **NESS CITY, KS** WELL/PROJECT NO. LEASE **BILL MELLIES #1** COUNTY/PARISH **NESS** STATE **KS** CITY **NESS CITY, KS** DATE **18 FEB 12** OWNER  
 2. TICKET TYPE  SERVICE  SALES CONTRACTOR **MALLARD DRILLING** RIG NAME/NO. SHIPPED VIA DELIVERED TO ORDER NO.  
 3. WELL TYPE **OIL** WELL CATEGORY **DEVELOPMENT** JOB PURPOSE **5 1/2 LONGSTRING** WELL PERMIT NO. WELL LOCATION **4W, 4 1/2 S, W INTO**  
 4. REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	DF			UM		UM	
575					MILEAGE #110	10	MIL		6.00	60.00
578					PUMP CHARGE	1	008	4416	FT	1500.00
402					CENTRALIZERS	4	EA		70.00	280.00
403					CEMENT BASKETS	3	EA		250.00	750.00
404					PORT COLLAR	1	EA	1553	PT.	2400.00
406					LATCH DOWN PLUG & BAPPLE	1	EA		250.00	250.00
407					INSERT FLOAT SHOE W/AUTO FILL	1	EA		350.00	350.00
409					TURBOLIZER	6	EA		90.00	540.00
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

X *[Signature]*  
 DATE SIGNED **19 FEB 12** TIME SIGNED **01:15**  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	6805.00
WE UNDERSTOOD AND MET YOUR NEEDS?				2	4295.00
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				subtotal	11,100.00
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				Tax	560.07
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO		TOTAL	11,660.07

SWIFT OPERATOR *[Signature]* APPROVAL *[Signature]* CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.

Thank You!



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

TICKET CONTINUATION

TICKET No. 21648

CUSTOMER PALOMINO PETROLEUM WEL# BILL DELLES #1 DATE 18 FEB 12 PAGE 2 OF 2

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		UNIT PRICE	AMOUNT
		LOC	ACCT.	DF			QTY.	UM		
276						FLOCLE	50	lbs	2.00	100.00
283						SALT	500	lbs	.20	100.00
284						CALSEAL	5	sk	35.00	175.00
285						CFR-1	50	lbs	4.00	200.00
290						D-AIR	2	gal	35.00	70.00
330						SWIFT MULTI DENSITY	100	sk	16.50	1650.00
325						STANDARD CEMENT	100	sk	13.50	1350.00
581						SERVICE CHARGE	200	sk	2.00	400.00
582						MILEAGE CHARGE	TOTAL WEIGHT 20460		LOADED MILES 10	
							CUBIC FEET 200sk		TON MILES 102.3	
									250.00	250.00

CONTINUATION TOTAL 4295.00

JOB LOG

SWIFT Services, Inc.

DATE 18 FEB 12 PAGE NO.

CUSTOMER **FALDOMINO PETROLEUM**

WELL NO.

LEASE **BILL MEWES #1**

JOB TYPE **5 1/2 LONG STRING**

TICKET NO. **21648**

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	2230							ON LOCATION
								5 1/2 - 14"
								RTD @ 4417 LTD @ 4416
								SI 20.83
								CENTRALIZERS 1, 2, 3, 4, 5, 6, 8, 9, 10, 16, 8
								BASKETS 2, 5, 16, 9
								PORT COLLAR TOP OF SI #169 @ 1553
	2302							DROP BALL CIRCULATE
0005		6	12				400	PUMP 500 GAL MUD FLUSH
0007		6	20				400	PUMP 20 BBL KCL FLUSH
			7.5					PLUG RH - MH (30sx - 20sx)
0016		4	18					MIX 50 SMD.
		4	24					MIX 100 SX EA2.
0035								WASH OUT PUMPING LINES
0038		Le						START DISPLACEMENT
0056			107				1500	PLUG DOWN PSI UP LATCH PLUG IN.
0058								RELEASE PSI - DRY
0100								WASH TRUCK
0120								JOB COMPLETE
								THANKS #110
								JASON JEFF DUSTY



# INVOICE

PO Box 93999  
Southlake, TX 76092

**RECEIVED**

Invoice Number: 130165

**FEB 1 8 2012**

Invoice Date: Feb 11, 2012

Page: 1

Voice: (817) 546-7282

Fax: (817) 246-3361

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

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Palo	Bill Mellies#1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Great Bend	Feb 11, 2012	3/12/12

Quantity	Item	Description	Unit Price	Amount
400.00	MAT	Class A Common	16.25	6,500.00
7.00	MAT	Gel	21.25	148.75
14.00	MAT	Chloride	58.20	814.80
421.00	SER	Handling	2.25	947.25
8.00	SER	Mileage	46.31	370.48
1.00	SER	Surface	1,125.00	1,125.00
515.00	SER	Extra Footage	0.95	489.25
16.00	SER	Heavy Vehicle Mileage	7.00	112.00
16.00	SER	Light Vehicle Mileage	4.00	64.00
1.00	EQP	8 5/8 Baffle Plate	112.00	112.00
1.00	EQP	8 5/8 Rubber Plug	112.00	112.00
1.00	CEMENTER	Wayne Davis		
1.00	EQUIP OPER	Greg Redetzke		
1.00	OPER ASSIST	Kevin Weighous		

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

**\$2323.05**

ONLY IF PAID ON OR BEFORE

**Mar 7, 2012**

Subtotal	10,795.53
Sales Tax	484.32
Total Invoice Amount	11,279.85
Payment/Credit Applied	
<b>TOTAL</b>	<b>11,279.85</b>



# ALLIET CEMENTING CO., LLC. 042479

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

SERVICE POINT:  
2-11-12

DATE <u>2-11-12</u>	SEC. <u>20</u>	TWP. <u>19.0</u>	RANGE <u>24 W</u>	CALLED OUT	ON LOCATION	JOB START <u>12:00 PM</u>	JOB FINISH <u>12:30 PM</u>
LEASE <u>Mellies</u>		WELL# <u>1</u>		LOCATION <u>Near city KS 4 west to</u>		COUNTY <u>Ness</u>	STATE <u>KS</u>
OLD OR <input checked="" type="checkbox"/> NEW (Circle one)				W-RO <u>4 1/2 South west to</u>			

CONTRACTOR Mallard  
 TYPE OF JOB Surface  
 HOLE SIZE 12 1/2 T.D. 814  
 CASING SIZE 8 1/2 DEPTH 814  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX 600 MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT 42.65  
 CEMENT LEFT IN CSG. 42.65  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 49.13 BBLs freshwater  
 EQUIPMENT \_\_\_\_\_  
 PUMP TRUCK CEMENTER Wray  
 # 398 HELPER Gee  
 BULK TRUCK \_\_\_\_\_  
 # 344/170 DRIVER Kevin W  
 BULK TRUCK \_\_\_\_\_  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

OWNER Palomino  
 CEMENT  
 AMOUNT ORDERED 40652 1950 A + B 8cc  
+ 2% Gel  
 COMMON 400 @ 16.25 6500.00  
 POZMIX \_\_\_\_\_ @ \_\_\_\_\_ \_\_\_\_\_  
 GEL 7 @ 21.25 148.75  
 CHLORIDE 14 @ 58.20 814.80  
 ASC \_\_\_\_\_ @ \_\_\_\_\_ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_ \_\_\_\_\_  
 HANDLING 421 @ 2.25 947.20  
 MILEAGE 421 X 88.11 370.90  
 TOTAL 8781.70

**REMARKS:**

Pipe on Bottom B-rack circulation  
with Rig mud  
Run 5 BBLs water ahead  
Mix 400 SX Class A + 3% G + 2% Gel  
Shut Down Release Plus  
Displace 49.13 BBLs fresh water  
Land Plus at PSI  
Shut In Cement Did circulate  
washup Rig Down

**SERVICE**

DEPTH OF JOB 814  
 PUMP TRUCK CHARGE \_\_\_\_\_ 1125.00  
 EXTRA FOOTAGE 514 @ .95 488.30  
 MILEAGE HUM 16 @ 7.00 112.00  
 MANIFOLD \_\_\_\_\_ @ \_\_\_\_\_ \_\_\_\_\_  
HUM 16 @ 4.00 64.00  
 \_\_\_\_\_ @ \_\_\_\_\_ \_\_\_\_\_

CHARGE TO: Palomino Petroleum  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

TOTAL 1,789.30

**PLUG & FLOAT EQUIPMENT**

Bottle Plug @ 112.00 112.00  
Rubber Plug @ 112.00 112.00  
 \_\_\_\_\_ @ \_\_\_\_\_ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_ \_\_\_\_\_

TOTAL 224.00

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

SALES TAX (If Any) \_\_\_\_\_  
 TOTAL CHARGES 10,794.40  
50% 20% 2,322.80  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS  
8,471.60

PRINTED NAME Mark D. Elsen

SIGNATURE Mark D. Elsen

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

Lease Name **Bill Mellies**  
 Lease # **1**  
 Legal Desc **NW SE NE SE**  
 Section **20**  
 Township **19S**  
 County **Ness**  
 Drilling Cont **Mallard Drilling #1**

Job Ticket **3462**  
 Range **24W**  
 State **KS**

Comments **Field: Wildcat**

**GENERAL INFORMATION**

Test # 1 Test Date **2/17/2012**  
 Tester **Jimmy Ricketts**  
 Test Type **Conventional Bottom Hole**  
**Successful Test**  
 # of Packers **2.0** Packer Size **6 3/4**

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

Mileage **144** Approved By  
 Standby Time **0**  
 Extra Equipmnt **Jars & Safety Joint**  
 Time on Site **1:30 AM**  
 Tool Picked Up **3:00 AM**  
 Tool Layed Dwn **9:00 AM**

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

Elevation **2304.00** Kelley Bushings **2309.00**

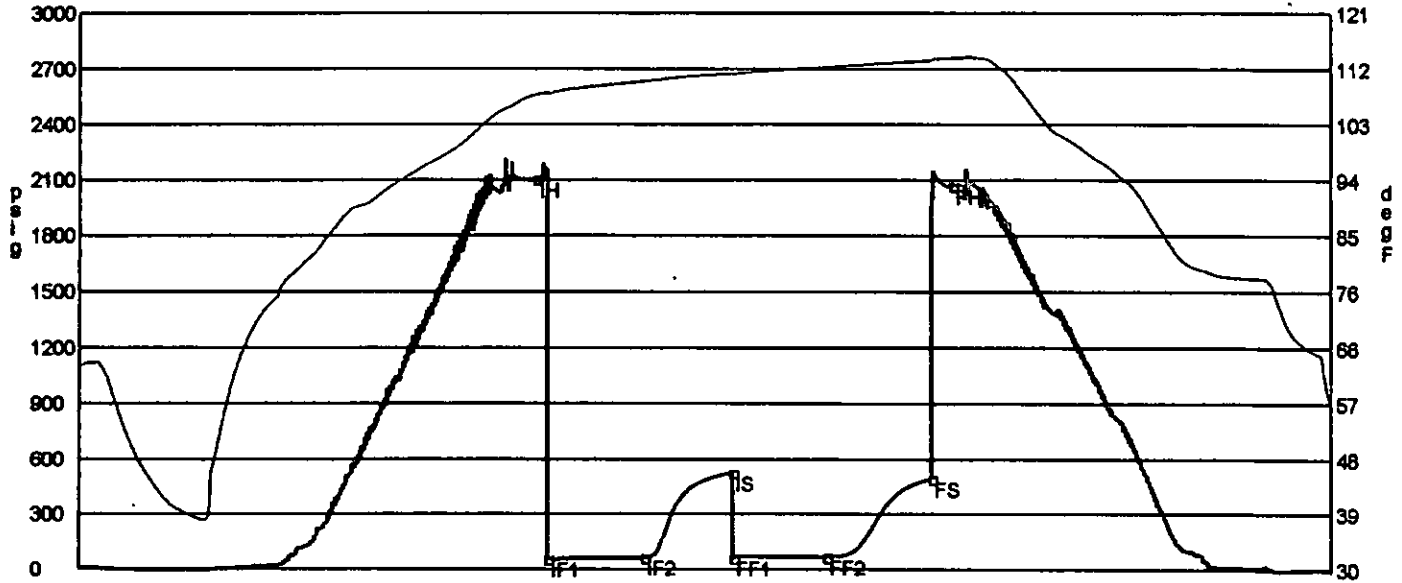
Formation **Fort Scott**  
 Interval Top **4231.0** Bottom **4290.0**  
 Anchor Len Below **59.0** Between **0**  
 Total Depth **4290.0**

Start Date/Time **2/17/2012 2:28 AM**  
 End Date/Time **2/17/2012 9:10 AM**

Blow Type **Weak blow building to 1 1/2 inches initial flow period. No blow building to 1/4 inch final flow period. Times: 30, 30, 30, 34.**

**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
40	Slight oil cut mud	0% 0ft	1% 0.4ft	0% 0ft	99% 39.6ft
DST Fluids		0			



	Date	Time	Pressure	Temp	
IH	2/17/2012 4:53:40 AM	2.427778	2103.43	107.774	Initial Hydro-static
IF1	2/17/2012 4:57:20 AM	2.488889	55.249	108.06	Initial Flow (1)
IF2	2/17/2012 5:28:00 AM	3	66.284	109.945	Initial Flow (2)
IS	2/17/2012 5:56:50 AM	3.480556	524.697	111.294	Initial Shut-In
FF1	2/17/2012 5:57:10 AM	3.486111	62.617	111.245	Final Flow (1)
FF2	2/17/2012 6:27:10 AM	3.988111	69.062	112.308	Final Flow (2)
FS	2/17/2012 7:01:00 AM	4.55	492.022	113.356	Final Shut-In
FH	2/17/2012 7:08:00 AM	4.666667	2071.22	113.82	Final Hydro-static

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke

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

Lease Name **Bill Mellies**  
 Lease # **1**  
 Legal Desc **NW SE NE SE**  
 Section **20**  
 Township **19S**  
 County **Ness**  
 Drilling Cont **Mallard Drilling #1**

Job Ticket **3462**  
 Range **24W**  
 State **KS**

Comments **Field: Wildcat**

**GENERAL INFORMATION**

Test # **2** Test Date **2/17/2012**  
 Tester **Jimmy Ricketts**  
 Test Type **Conventional Bottom Hole**  
**Successful Test**  
 # of Packers **2.0** Packer Size **6 3/4**

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

Mud Type **Gel Chem**  
 Mud Weight **9.6** Viscosity **52.0**  
 Filtrate **6.0** Chlorides **4800**

Mileage **0** Approved By  
 Standby Time **0**  
 Extra Equipmnt **Jars & Safety Joint**  
 Time on Site **8:00 PM**  
 Tool Picked Up **9:30 PM**  
 Tool Layed Dwn **3:00 AM**

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

Elevation **2304.00** Kelley Bushings **2309.00**

Formation **Mississippian**  
 Interval Top **4366.0** Bottom **4375.0**  
 Anchor Len Below **9.0** Between **0**  
 Total Depth **4375.0**

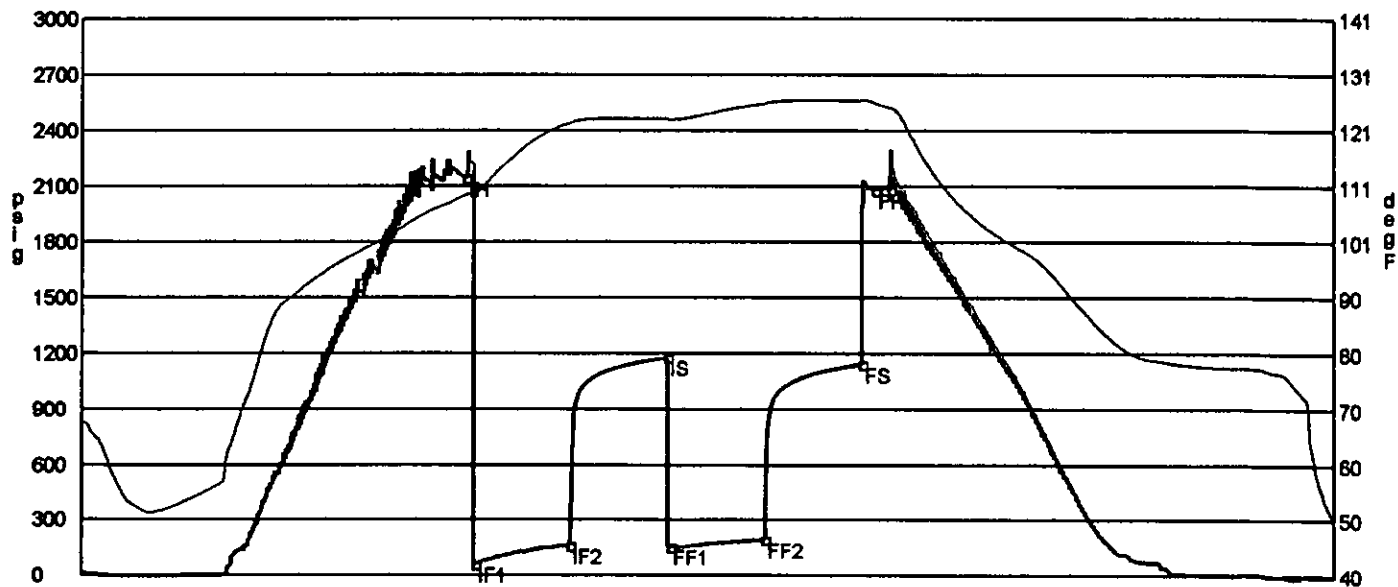
Start Date/Time **2/17/2012 9:07 PM**  
 End Date/Time **2/18/2012 3:31 AM**

Blow Type **Weak blow building to strong blow 23 minutes into initial flow period. 1/2 inch blow back during initial shut-in period. Weak blow building to strong blow 24 minutes into final flow period. 1 inch blow back during final shut-in period. Times: 30, 30, 30, 30. API gravity of oil was 40.**

**RECOVERY**

Feet	Description	Gas	Oil	Water	Mud
185	Gas in pipe	100% 185ft	0% 0ft	0% 0ft	0% 0ft
235	Clean oil	0% 0ft	100% 235ft	0% 0ft	0% 0ft
70	Oil and heavy water cut mud	0% 0ft	4% 2.8ft	44% 30.8ft	52% 36.4ft
60	Oil and mud cut water	0% 0ft	4% 2.4ft	79% 47.4ft	17% 10.2ft

DST Fluids **12000**



	Date	Time	Pressure	Temp	
IH	2/17/2012 11:03:40 PM	1.944444	2144.254	109.202	Initial Hydro-static
IF1	2/17/2012 11:06:30 PM	1.991667	61.566	109.496	Initial Flow (1)
IF2	2/17/2012 11:35:30 PM	2.475	161.17	122.166	Initial Flow (2)
IS	2/18/2012 12:05:40 AM	2.977778	1180.901	123.071	Initial Shut-In
FF1	2/18/2012 12:06:30 AM	2.991667	156.021	122.908	Final Flow (1)
FF2	2/18/2012 12:35:50 AM	3.480556	193.836	125.706	Final Flow (2)
FS	2/18/2012 1:05:50 AM	3.980556	1143.377	126.242	Final Shut-In
FH	2/18/2012 1:10:00 AM	4.05	2080.522	125.884	Final Hydro-static

**GAS FLOWS**

Min Into IFP   Min Into FFP   Gas Flows   Pressure   Choke