



KANSAS CORPORATION COMMISSION 1088864
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 # 33575
Name: WW Drilling, LLC
Wellsite Geologist: Ryan Seib
Purchaser: NCRA

Designate Type of Completion:

- New Well Re-Entry Workover
- Oil WSW SWD SIOW
 Gas D&A ENHR SIGW
 OG GSW Temp. Abd.
 CM (Coal Bed Methane)
 Cathodic Other (Core, Expl., etc.): _____

If Workover/Re-entry: Old Well Info as follows:

Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to ENHR Conv. to SWD
 Conv. to GSW
 Plug Back: _____ Plug Back Total Depth _____
 Commingled Permit #: _____
 Dual Completion Permit #: _____
 SWD Permit #: _____
 ENHR Permit #: _____
 GSW Permit #: _____

04/30/2012	05/10/2012	05/10/2012
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-135-25388-00-00
Spot Description: _____
SE SE NW NE Sec. 36 Twp. 18 S. R. 24 East West
999 Feet from North / South Line of Section
1537 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Ness
Lease Name: K & J Well #: 1
Field Name: Ness City Southeast
Producing Formation: Mississippian
Elevation: Ground: 2234 Kelly Bushing: 2242
Total Depth: 4355 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 225 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: 1475 Feet
If Alternate II completion, cement circulated from: 1475
feet depth to: 0 w/ 130 sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: 0 ppm Fluid volume: 440 bbls
Dewatering method used: Hauled to Disposal
Location of fluid disposal if hauled offsite: _____
Operator Name: Cheyenne Oil Services, Inc.
Lease Name: FINK License #: 7146
Quarter NW 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 Garris Date: 08/01/2012



1088864

Operator Name: Palomino Petroleum, Inc. Lease Name: K & J Well #: 1
 Sec. 36 Twp. 18 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 <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: Dual Induction Log Compensated Neutron/Density Log Micro Log	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum Attached Attached Attached
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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	225	Common	150	2% Gel, 3% c.c.
Production	7.8750	5.5000	14	4349	SMD, EA-2	195	500 Gal. Mud Flush, 25 lbs. KCL Water

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	-			
<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
2	4264-4269		

TUBING RECORD: Size: <u>2.8750</u> Set At: <u>4322</u> Packer At: <u> </u> Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumed Production, SWD or ENHR: <u>06/05/2012</u>	Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) <u> </u>
Estimated Production Per 24 Hours	Oil Bbls. <u>115</u> Gas Mcf <u> </u> Water Bbls. <u>0</u> Gas-Oil Ratio <u> </u> Gravity <u> </u>

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

Form	ACO1 - Well Completion
Operator	Palomino Petroleum, Inc.
Well Name	K & J 1
Doc ID	1088864

Tops

Anhy.	1482	(+760)
Base Anhy.	1517	(+725)
Heebner	3627	(-1385)
Lansing	3668	(-1426)
BKC	3969	(-1727)
Marmaton	4032	(-1790)
Pawnee	4084	(-1842)
Ft. Scott	4166	(-1924)
Cherokee Sh.	4189	(-1947)
Cherokee Sd.	4262	(-2020)
Miss.	4274	(-2032)
LTD	4355	(-2113)

SWIFT



Services, Inc.

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



Invoice

DATE	INVOICE #
5/21/2012	23670

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

RECEIVED

MAY 23 2012

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	K & J	Ness	DS&W Well Servi...	Oil	Development	Cement Port Collar	Blaine
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				5	Miles	6.00	30.00
576D-D	Pump Charge - Port Collar				1	Job	1,250.00	1,250.00
330	Swift Multi-Density Standard (MIDCON II)				130	Sacks	16.50	2,145.00T
276	Flocele				25	Lb(s)	2.00	50.00T
290	D-Air				2	Gallon(s)	35.00	70.00T
104	Port Collar Tool Rental				1	Each	250.00	250.00T
581D	Service Charge Cement				175	Sacks	2.00	350.00
582D	Minimum Drayage Charge				1	Each	250.00	250.00
	Subtotal							4,395.00
	Sales Tax Ness County						6.30%	158.45
We Appreciate Your Business!							Total	\$4,553.45



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

TICKET
 No 23670

PAGE 1 OF 1

SERVICE LOCATIONS
 1. Ness City KS WELL/PROJECT NO. #1 LEASE KFG COUNTY/PARISH Neo STATE KS CITY Ness City DATE 21 MAY 12 OWNER _____
 2. TICKET TYPE SERVICE SALES CONTRACTOR _____ RIG NAME/NO. _____ SHIPPED Y DELIVERED TO location ORDER NO. _____
 3. WELL TYPE oil WELL CATEGORY Development JOB PURPOSE cement pot collar WELL PERMIT NO. _____ WELL LOCATION _____
 4. REFERRAL LOCATION _____ INVOICE INSTRUCTIONS _____

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE <u>TK114</u>	5		mi		6.00	30.00
576D		1			Pump Charge	1		ea		1250.00	1250.00
330		1			SMD cements	130		sk		16.50	2145.00
276		1			fluoels	25		lb		2.00	50.00
290		1			D-air	2		gal		35.00	70.00
104		1			Port collar tool rental	1		ea		250.00	250.00
581		1			Service charge	175		sk		2.00	350.00
582		1			Drayage (min)	1		ea		250.00	250.00

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
 DATE SIGNED _____ TIME SIGNED _____ A.M. P.M.

REMIT PAYMENT TO:

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

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL	
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				4395.00	
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	4553.4

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.

JOB LOG

SWIFT Services, Inc.

DATE 5 May 12 PAGE NO.

CUSTOMER Phillips Petroleum WELL NO. H1 LEASE K&D JOB TYPE cement put collar TICKET NO. 23670

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
								175 sk SMD w/ 1/4# flocculo 2 3/8 x 5 1/2 put collar - 1475'
	1345							on loc TRK 114
	1400		1			1000	1000	test to 1000 psi - hold
	1405							open put collar
		3	2			350		inj rate: 3 bpm @ 350 psi
	1410	3 1/2				350		mix SMD cement @ 1.2 ppg
		3 1/2	4			350		4 bbl fluid to surface
	1430	3 1/2	70			400		- cement to surface
								130 sk mixed 15 to pit
	1448							close put collar Run 4 joints
	1458		20					Reverse hole clean 2 cement flags
								clean up truck
								Rack up
								job complete
								Plucker Isaac, Dave & Blaine



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



Invoice

DATE	INVOICE #
5/10/2012	22656

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

RECEIVED

MAY 12 2012

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	K & J	Ness	WW Drilling Rig ...	Oil	Development	5-1/2" LongString	Jason
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				10	Miles	6.00	60.00
578D-L	Pump Charge - Long String - 4359 Feet				1	Job	1,500.00	1,500.00
402-5	5 1/2" Centralizer				1	Each	70.00	70.00T
403-5	5 1/2" Cement Basket				3	Each	250.00	750.00T
404-5	5 1/2" Port Collar - 1474 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				9	Each	90.00	810.00T
281	Mud Flush				500	Gallon(s)	1.25	625.00T
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00T
276	Flocele				57	Lb(s)	2.00	114.00T
283	Salt				500	Lb(s)	0.20	100.00T
284	Calseal				5	Sack(s)	35.00	175.00T
285	CFR-I				50	Lb(s)	4.00	200.00T
325	Standard Cement				100	Sacks	13.50	1,350.00T
330	Swift Multi-Density Standard (MIDCON II)				125	Sacks	16.50	2,062.50T
581D	Service Charge Cement				225	Sacks	2.00	450.00
582D	Minimum Drayage Charge				1	Each	250.00	250.00
	Subtotal							11,566.50
	Sales Tax Ness County						6.30%	586.31
We Appreciate Your Business!						Total		\$12,152.81



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

TICKET
 No 22656

PAGE 1 OF 2

1. SERVICE LOCATIONS <u>Ness City, KS</u>	WELL/PROJECT NO	LEASE <u>KES#1</u>	COUNTY/PARISH <u>NESS</u>	STATE <u>KS</u>	CITY <u>NESS CITY, KS</u>	DATE <u>10 May 12</u>	OWNER
2.	TICKET TYPE <input type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <u>WWD DRILLING RIG #12</u>	RIG NAME/NO.	SHIPPED VIA	DELIVERED TO	ORDER NO.	
3.	WELL TYPE <u>OIL</u>	WELL CATEGORY <u>DEVELOPMENT</u>	JOB PURPOSE <u>S LONGSTRING</u>	WELL PERMIT NO.	WELL LOCATION <u>1/2 W, SINTO</u>		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY		UNIT PRICE		ACCOUNT
		LOC	ACCT	DF		QTY	U/M	QTY	U/M	
575					MILEAGE #110	10	MIL		6.00	60.00
578					PUMP CHARGE	1	JOB	4.359	ETG	1500.00
402					CENTRALIZERS	1	EA		70.00	70.00
403					CEMENT BASKETS	3	EA		250.00	750.00
404					PORT COLLAR	1	EA	1474	FT.	2400.00
406					LATCH DOWN PLUG & BAFFLE	1	EA		250.00	250.00
407					INSERT FLOAT SHOE W/AUTO FILL	1	EA		350.00	350.00
409					TURBOLIZER	9	EA		90.00	810.00
281					MUD FLUSH	500	BAR		1.25	625.00
221					LIQUID KCL	2	BAR		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
 DATE SIGNED 10 May 12 TIME SIGNED 1410 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 1	6086.50
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				2	4701.50
WE UNDERSTOOD AND MET YOUR NEEDS?				subtotal	11506.50
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				Tax 6.3%	586.31
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TOTAL	12,152.81
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				

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



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

TICKET CONTINUATION

TICKET No. 22656

CUSTOMER PALMIND PETROLEUM WELL K&J B1 DATE 10 May 12 PAGE 2 OF 2

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF			QTY.	U/M	QTY.	U/M			
276						FLOCELE	57	lbs			2 ⁰⁰	114 ⁰⁰	
283						SALT	500	lbs			2 ⁰⁰	100 ⁰⁰	
284						CALSEAL	5	Sx			35 ⁰⁰	175 ⁰⁰	
285						CFR-1	50	lbs			4 ⁰⁰	200 ⁰⁰	
325						STANDARD CEMENT EA2	100	Sx			13 ⁵⁰	1350 ⁰⁰	
330						SWIFT MULTIDENSITY	125	Sx			16 ⁵⁰	2062 ⁵⁰	
581						SERVICE CHARGE					CUBIC FEET 225 ⁵⁰	450 ⁰⁰	
583 582						MILEAGE CHARGE	22867				LOADED MILES 10	TON MILES 114.33	250 ⁰⁰

CONTINUATION TOTAL 4701⁵⁰

JOB LOG

SWIFT Services, Inc.

DATE 10 MAY 10 PAGE NO.

CUSTOMER PROMINO PETROLEUM WELL NO. LEASE K&J #1 JOB TYPE 5' LONGSTRONG TICKET NO. 226570

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0530							ON LOCATION
	1000							START PIPE 5 1/2 - 14 # RTD @ 4360 SHOE JT. 3140 CENTRALIZERS 1,2,3,4,5,6,7,8,10,108 BASKETS 2,6,69 PORT COLLAR TOP OF # 69 @ 1474
	1155							DROP BALL CIRCULATE
	1253	6	12		✓		300	Pump 500 gal MUD FLUSH
		6	20		✓		300	Pump 20 BBL KCL FLUSH
	1301		7					PLUG RH (30 sx)
	1303	4	34 1/2		✓			MIX 95 SX SMD
		4	24					MIX 100 SX EA2
	1324							WASH OUT PUMPING LINES.
	1326	6			✓			START DISPLACING PLUG
	1343	8	105 1/2		✓		1500	PLUG DOWN PSI UP LATCH PLUG IN
	1345							RELEASE PSI - DRY
	1410							WASH TRUCK JOB COMPLETE.
								THANKS. #110
								JASON JEFF ISAAC



PO Box 93999
Southlake, TX 76092

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

RECEIVED
MAY 05 2012

INVOICE

Invoice Number: 131019
Invoice Date: Apr 30, 2012
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	K&J #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Great Bend	Apr 30, 2012	5/30/12

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
162.90	SER	Handling	2.10	342.09
2.00	SER	Ton Miles	17.39	34.78
1.00	SER	Surface	1,125.00	1,125.00
2.00	SER	Heavy Vehicle Mileage	7.00	14.00
2.00	SER	Light Vehicle Mileage	4.00	8.00
1.00	EQUIP OPER	Dustin Chambers		
1.00	EQUIP OPER	Kevin Weighous		
1.00	EQUIP OPER	Joel Monahan		

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

\$ 863.22

ONLY IF PAID ON OR BEFORE
May 25, 2012

Subtotal	4,316.12
Sales Tax	175.91
Total Invoice Amount	4,492.03
Payment/Credit Applied	
TOTAL	4,492.03

ALLIED OIL & GAS SERVICES, LLC 053603

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

SERVICE POINT:
Great Bend, KS

DATE <u>4-30-12</u>	SEC. <u>36</u>	TWP. <u>18S</u>	RANGE <u>24W</u>	CALLED OUT	ON LOCATION	JOB START <u>11:00 pm</u>	JOB FINISH <u>11:30</u>
LEASE <u>K9J</u>	WELL # <u>1</u>	LOCATION <u>Ness City, KS west side of town site</u>			COUNTY <u>NESS</u>	STATE <u>Kansas</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR New Drilling Reg 12 OWNER _____
 TYPE OF JOB Grub
 HOLE SIZE 12 1/4 T.D. _____
 CASING SIZE 4 1/2 DEPTH 224.14
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. 15 FT
 PERFS. _____
 DISPLACEMENT 13.32 bbls Freshwater

CEMENT AMOUNT ORDERED 150 SKS Class A 37cc 27-gel

COMMON	<u>150</u>	@ <u>16.25</u>	<u>2,437.50</u>
POZMIX		@	
GEL	<u>3</u>	@ <u>21.25</u>	<u>63.75</u>
CHLORIDE	<u>5</u>	@ <u>58.20</u>	<u>291.00</u>
ASC		@	
		@	
		@	
		@	
		@	
		@	
		@	
		@	
HANDLING	<u>162.9</u>	@ <u>2.10</u>	<u>342.09</u>
MILEAGE	<u>7.4 x 2 x .</u>	@ <u>2.35</u>	<u>34.78.00</u>
			TOTAL <u>3,169.32</u>

EQUIPMENT

PUMP TRUCK CEMENTER Dustin C
 # 394 HELPER Karla E
 BULK TRUCK
 # 376 DRIVER Joel M
 BULK TRUCK
 # DRIVER

REMARKS:
Pipe on bottom break 11' in length with plug down
Put 150 SKS class A 37cc 27-gel
Displace 13.32 bbls Freshwater & shut in
Cement did not cure
plug down 11:30 pm
By Dan

CHARGE TO: Petroleum Petroleum
 STREET _____
 CITY _____ STATE _____ ZIP _____

SERVICE

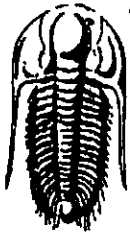
DEPTH OF JOB	<u>224</u>		
PUMP TRUCK CHARGE		@	<u>1125.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>Hvm 2</u>	@ <u>7.00</u>	<u>14.00</u>
MANIFOLD		@	
	<u>Hvm 2</u>	@ <u>4.00</u>	<u>8.00</u>
		@	
			TOTAL <u>1147.00</u>

PLUG & FLOAT EQUIPMENT

	@	
	@	
	@	
	@	
	@	
TOTAL _____		

To: Allied Oil & Gas Services, 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 X MARTIN HEARD SALES TAX (If Any) _____
 SIGNATURE X Martin Heard TOTAL CHARGES 4,316.12
 DISCOUNT 20% 863.32 IF PAID IN 30 DAYS
Thank You! 3,452.70



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

Palomino Petroleum Inc

4924 SE 84th St.
New ton KS 67114

ATTN: Ryan Seib

36-18s-24w Ness.KS

K&J #1

Job Ticket: 46323

DST#: 1

Test Start: 2012.05.08 @ 10:11:00

GENERAL INFORMATION:

Formation: **Ft. Scott**

Deviated: **No** Whipstock: **ft (KB)**

Time Tool Opened: 12:28:40

Time Test Ended: 16:24:20

Test Type: Conventional Bottom Hole (Initial)

Tester: Cody Bloedorn

Unit No: 39

Interval: **4150.00 ft (KB) To 4197.00 ft (KB) (TVD)**

Total Depth: **4197.00 ft (KB) (TVD)**

Hole Diameter: **7.88 inches** Hole Condition: **Fair**

Reference Elevations: **2242.00 ft (KB)**

2234.00 ft (CF)

KB to GR/CF: **8.00 ft**

Serial #: **8372** Outside

Press@RunDepth: **47.43 psig @ 4194.00 ft (KB)**

Start Date: **2012.05.08**

End Date:

2012.05.08

Start Time: **10:11:05**

End Time:

16:24:20

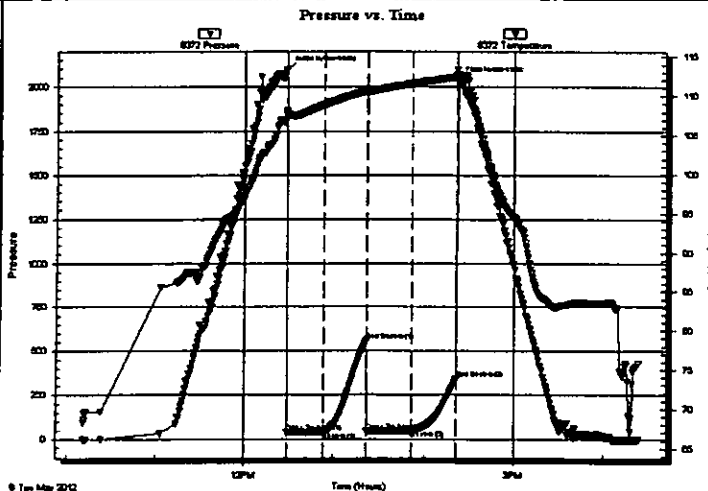
Capacity: **8000.00 psig**

Last Calib.: **2012.05.08**

Time On Btm: **2012.05.08 @ 12:28:30**

Time Off Btm: **2012.05.08 @ 14:21:50**

TEST COMMENT: 30 - IF- 1/4" blow, died in 19 min.
30 - IS- No blow back
30 - FF- No blow back
30 - FS- No blow back



PRESSURE SUMMARY

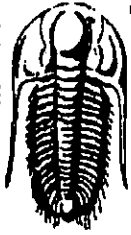
Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2098.19	108.03	Initial Hydro-static
1	39.23	107.22	Open To Flow (1)
25	41.81	108.83	Shut-in(1)
54	558.77	110.60	End Shut-in(1)
54	42.50	110.28	Open To Flow (2)
84	47.43	111.53	Shut-in(2)
114	346.10	112.44	End Shut-in(2)
114	2036.63	113.36	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
10.00	Mud, 100%M, Oil scum	0.05

Gas Rates

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



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum Inc

36-18s-24w Ness.KS

4924 SE 84th St.
New ton KS 67114

K&J #1

Job Ticket: 46323

DST#: 1

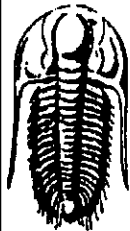
ATTN: Ryan Seib

Test Start: 2012.05.08 @ 10:11:00

Tool Information

Drill Pipe:	Length: 4008.00 ft	Diameter: 3.80 inches	Volume: 56.22 bbl	Tool Weight: 2500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: 0.00 inches	Volume: 0.00 bbl	Weight set on Packer: 25000.00 lb
Drill Collar:	Length: 124.00 ft	Diameter: 2.25 inches	Volume: 0.61 bbl	Weight to Pull Loose: 52000.00 lb
			<u>Total Volume: 56.83 bbl</u>	Tool Chased 0.00 ft
Drill Pipe Above KB:	11.00 ft			String Weight: Initial 48000.00 lb
Depth to Top Packer:	4150.00 ft			Final 48000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	47.00 ft			
Tool Length:	76.00 ft			
Number of Packers:	2	Diameter: 6.75 inches		
Tool Comments:				

Tool Description	Length (ft)	Serial No.	Position	Depth (ft)	Accum. Lengths
Change Over Sub	1.00			4122.00	
Shut In Tool	5.00			4127.00	
Hydraulic tool	5.00			4132.00	
Jars	5.00			4137.00	
Safety Joint	3.00			4140.00	
Packer	5.00			4145.00	29.00 Bottom Of Top Packer
Packer	5.00			4150.00	
Stubb	1.00			4151.00	
Perforations	5.00			4156.00	
Change Over Sub	1.00			4157.00	
Blank Spacing	31.00			4188.00	
Change Over Sub	1.00			4189.00	
Perforations	5.00			4194.00	
Recorder	0.00	8017	Inside	4194.00	
Recorder	0.00	8372	Outside	4194.00	
Bullnose	3.00			4197.00	47.00 Bottom Packers & Anchor
Total Tool Length:	76.00				



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum Inc

36-18s-24w Ness.KS

4924 SE 84th St.
New ton KS 67114

K&J #1

Job Ticket: 46323

DST#: 1

ATTN: Ryan Selb

Test Start: 2012.05.08 @ 10:11:00

Mud and Cushion Information

Mud Type: Gel Chem

Cushion Type:

Oil API:

deg API

Mud Weight: 10.00 lb/gal

Cushion Length:

ft

Water Salinity:

ppm

Viscosity: 50.00 sec/qt

Cushion Volume:

bbf

Water Loss: 7.98 in³

Gas Cushion Type:

Resistivity: ohm.m

Gas Cushion Pressure:

psig

Salinity: 5400.00 ppm

Filter Cake: inches

Recovery Information

Recovery Table

Length ft	Description	Volume bbf
10.00	Mud, 100%M, Oil scum	0.049

Total Length: 10.00 ft Total Volume: 0.049 bbf

Num Fluid Samples: 0

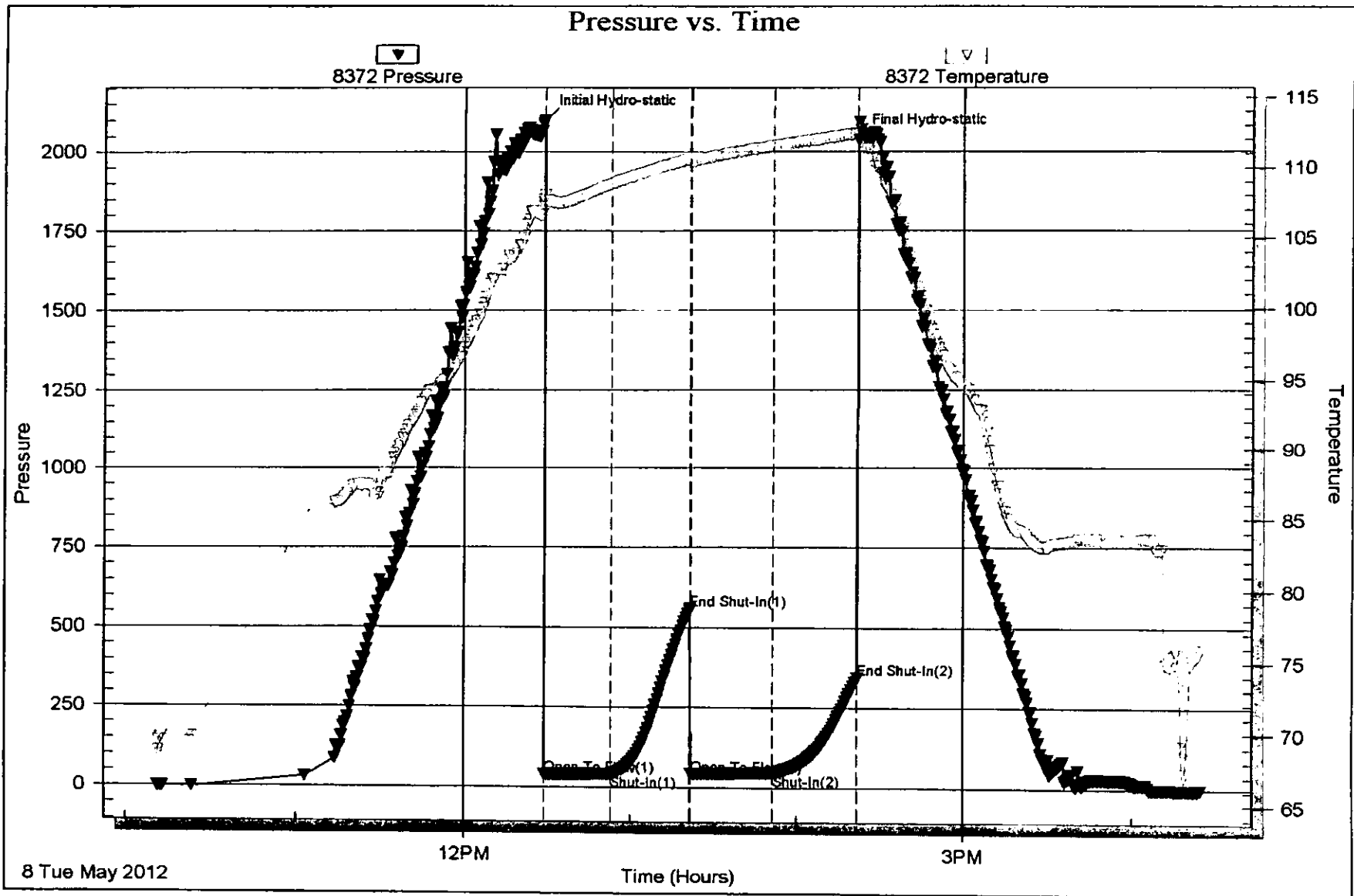
Num Gas Bombs: 0

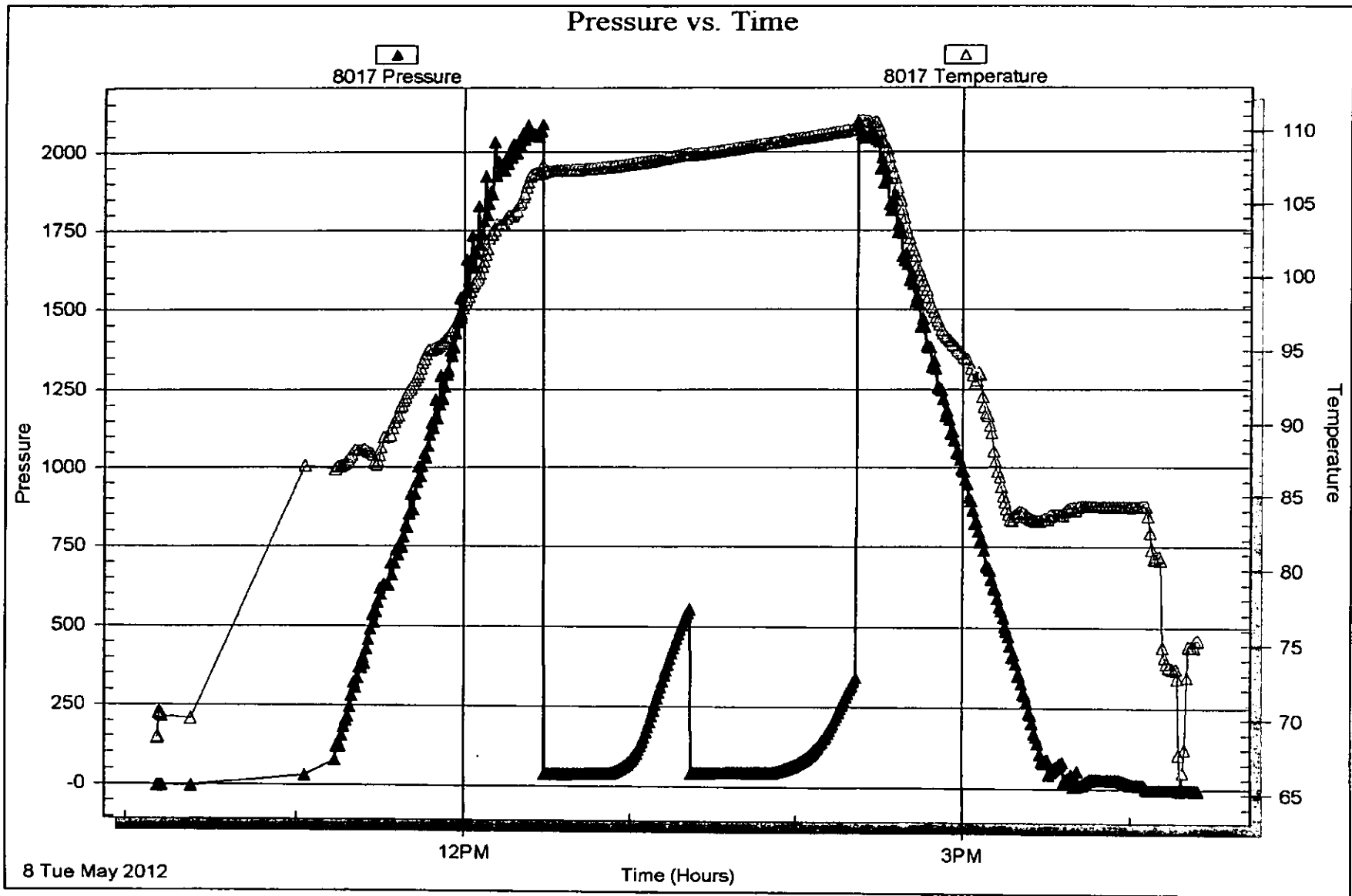
Serial #:

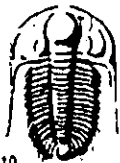
Laboratory Name:

Laboratory Location:

Recovery Comments:







TRIBOLITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

Test Ticket

NO. 46323

Well Name & No. K & J #1 Test No. 1 Date 5-8-12
 Company Palomino Elevation 2234 KB 2242 GL
 Address 4924 SE 84th St, Newton KS, 67114
 Co. Rep / Geo. Ryan Seib Rig WW12
 Location: Sec. 36 Twp. 18s Rge. 24w Co. Ness State KS

Interval Tested 4150 - 4197 Zone Tested Fl. Scott
 Anchor Length 47' Drill Pipe Run 4008' Mud Wt. 9.5
 Top Packer Depth 4145 Drill Collars Run 124' Vis 50
 Bottom Packer Depth 4150 WI Pipe Run — WL 8.0
 Total Depth 4197 Chlorides 5,400 ppm System LCM —

Blow Description IF - 1/4" blow, died in 19 Min.
ISI - No blow back
FF - No blow back
FSI - No blow back

Rec	Feet of	%gas	%oil	%water	%mud
<u>10'</u>	<u>Mud - oil scum</u>			<u>100</u>	
Rec	Feet of	%gas	%oil	%water	%mud
Rec	Feet of	%gas	%oil	%water	%mud
Rec	Feet of	%gas	%oil	%water	%mud

Rec Total 10' BHT 112° Gravity — API RW — @ — F Chlorides — ppm

(A) Initial Hydrostatic	<u>2048</u>	<input checked="" type="checkbox"/> Test	<u>1250</u>	T-On Location	<u>7:52 am</u>
(B) First Initial Flow	<u>39</u>	<input checked="" type="checkbox"/> Jars	<u>250</u>	T-Started	<u>10:11 am</u>
(C) First Final Flow	<u>41</u>	<input checked="" type="checkbox"/> Safety Joint	<u>75</u>	T-Open	<u>12:22 pm</u>
(D) Initial Shut-In	<u>558</u>	<input type="checkbox"/> Circ Sub		T-Pulled	<u>2:22 pm</u>
(E) Second Initial Flow	<u>42</u>	<input type="checkbox"/> Hourly Standby		T-Out	<u>4:24 pm</u>
(F) Second Final Flow	<u>47</u>	<input checked="" type="checkbox"/> Mileage	<u>6.5 X 2</u> 201.50	Comments	<u>suppose to be out @ 8:15 am</u>
(G) Final Shut-In	<u>346</u>	<input type="checkbox"/> Sampler			
(H) Final Hydrostatic	<u>2036</u>	<input type="checkbox"/> Straddle			

Initial Open 30 Initial Shut-In 30 Final Flow 30 Final Shut-In 30

Ruined Shale Packer
 Ruined Packer
 Extra Copies
 Sub Total 0
 Total 1776.50
 MP/DST Disc't —
 Sub Total 1776.50

Approved By _____ Our Representative Cody Bloodorn
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**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

Palomino Petroleum Inc

4924 SE 84th St.
Newton KS 67114

ATTN: Ryan Seib

36-18s-24w Ness.KS

K&J #1

Job Ticket: 46324

DST#: 2

Test Start: 2012.05.09 @ 05:02:00

GENERAL INFORMATION:

Formation: Cherokee Sand

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 07:43:20

Time Test Ended: 12:21:30

Test Type: Conventional Bottom Hole (Reset)

Tester: Cody Bloedorn

Unit No: 39

Interval: 4212.00 ft (KB) To 4270.00 ft (KB) (TVD)

Total Depth: 4270.00 ft (KB) (TVD)

Hole Diameter: 7.88 inches Hole Condition: Fair

Reference Elevations: 2242.00 ft (KB)

2234.00 ft (CF)

KB to GR/CF: 8.00 ft

Serial #: 8017

Inside

Press@RunDepth: 300.88 psig @ 4251.00 ft (KB)

Start Date: 2012.05.09

End Date:

2012.05.09

Start Time: 05:02:05

End Time:

12:21:29

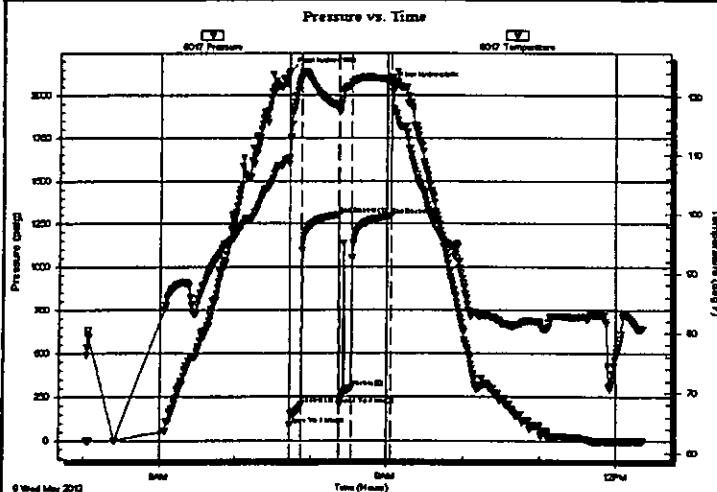
Capacity: 8000.00 psig

Last Calib.: 2012.05.09

Time On Btm:

Time Off Btm: 2012.05.09 @ 07:43:10

TEST COMMENT: 10 - IF- B.O.B. in 4 min.
30 - IS- 4" blow back in 23 min. Died back to a 2" blow
10 - FF- B.O.B. in 3 min.
30 - FS- Surface blow back, died in 16 min.



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2138.32	109.50	Final Hydro-static
1	89.69	108.57	Open To Flow (1)
10	204.36	123.35	Shut-In(1)
39	1301.95	118.22	End Shut-In(1)
40	203.19	117.74	Open To Flow (2)
49	300.88	121.94	Shut-In(2)
81	1293.98	122.83	End Shut-In(2)
81	2057.30	123.26	Final Hydro-static

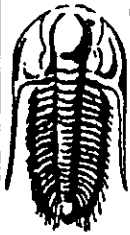
Recovery

Length (ft)	Description	Volume (bbl)
62.00	GMCO, 10%G, 80%O, 10%M	0.30
124.00	GOCM, 20%G, 20%O, 80%M	1.17
310.00	GSOCM, 10%G, 10%O, 80%M	4.35
124.00	GMCO 10%G, 10%M, 80%O	1.74

* Recovery from multiple tests

Gas Rates

	Choke (Inches)	Pressure (psig)	Gas Rate (Mc/d)



**TRIBOLITE
TESTING, INC**

DRILL STEM TEST REPORT

Palomino Petroleum Inc
4924 SE 84th St.
New ton KS 67114
ATTN: Ryan Seib

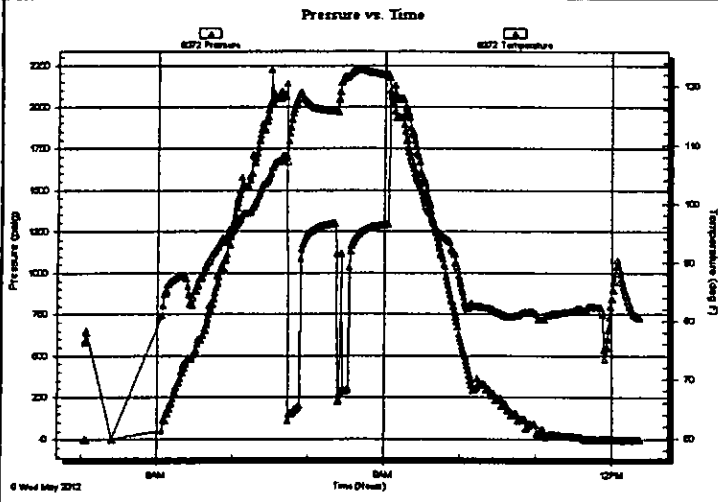
36-18s-24w Ness.KS
K&J #1
Job Ticket: 46324 DST#: 2
Test Start: 2012.05.09 @ 05:02:00

GENERAL INFORMATION:

Formation: **Cherokee Sand**
Deviated: No Whipstock: ft (KB)
Time Tool Opened: 07:43:20
Time Test Ended: 12:21:30
Interval: **4212.00 ft (KB) To 4270.00 ft (KB) (TVD)**
Total Depth: 4270.00 ft (KB) (TVD)
Hole Diameter: 7.88 inches Hole Condition: Fair
Test Type: Conventional Bottom Hole (Reset)
Tester: Cody Bloedorn
Unit No: 39
Reference Elevations: 2242.00 ft (KB)
2234.00 ft (CF)
KB to GR/CF: 8.00 ft

Serial #: 8372 Outside
Press@RunDepth: psig @ 4251.00 ft (KB) Capacity: 8000.00 psig
Start Date: 2012.05.09 End Date: 2012.05.09 Last Calib.: 2012.05.09
Start Time: 05:02:05 End Time: 12:21:40 Time On Btm:
Time Off Btm:

TEST COMMENT: 10 - IF- B.O.B. in 4 min.
30 - IS- 4" blow back in 23 min. Died back to a 2" blow
10 - FF- B.O.B. in 3 min.
30 - FS- Surface blow back, died in 16 min.



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation

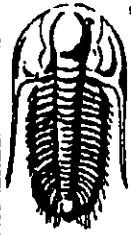
Recovery

Length (ft)	Description	Volume (bbl)
62.00	GMCO, 10%G, 80%O, 10%M	0.30
124.00	GOCM, 20%G, 20%O, 80%M	1.17
310.00	GSOCM, 10%G, 10%O, 80%M	4.35
124.00	GMCO 10%G, 10%M, 80%O	1.74

Gas Rates

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

* Recovery from multiple tests



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum Inc

36-18s-24w Ness.KS

4924 SE 84th St.
New ton KS 67114

K&J #1

Job Ticket: 46324

DST#: 2

ATTN: Ryan Seib

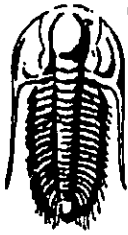
Test Start: 2012.05.09 @ 05:02:00

Tool Information

Drill Pipe:	Length: 4070.00 ft	Diameter: 3.80 inches	Volume: 57.09 bbl	Tool Weight: 2500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: 0.00 inches	Volume: 0.00 bbl	Weight set on Packer: 25000.00 lb
Drill Collar:	Length: 124.00 ft	Diameter: 2.25 inches	Volume: 0.61 bbl	Weight to Pull Loose: 56000.00 lb
		Total Volume: 57.70 bbl		Tool Chased 0.00 ft
Drill Pipe Above KB:	11.00 ft			String Weight: Initial 48000.00 lb
Depth to Top Packer:	4212.00 ft			Final 52000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	58.00 ft			
Tool Length:	87.00 ft			
Number of Packers:	2	Diameter: 6.75 inches		

Tool Comments:

Tool Description	Length (ft)	Serial No.	Position	Depth (ft)	Accum. Lengths
Change Over Sub	1.00			4184.00	
Shut In Tool	5.00			4189.00	
Hydraulic tool	5.00			4194.00	
Jars	5.00			4199.00	
Safety Joint	3.00			4202.00	
Packer	5.00			4207.00	29.00 Bottom Of Top Packer
Packer	5.00			4212.00	
Stubb	1.00			4213.00	
Perforations	5.00			4218.00	
Change Over Sub	1.00			4219.00	
Blank Spacing	31.00			4250.00	
Change Over Sub	1.00			4251.00	
Recorder	0.00	8017	Inside	4251.00	
Recorder	0.00	8372	Outside	4251.00	
Perforations	16.00			4267.00	
Bullnose	3.00			4270.00	58.00 Bottom Packers & Anchor
Total Tool Length:	87.00				



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum Inc

36-18s-24w Ness.KS

4924 SE 84th St.
New ton KS 67114

K&J #1

Job Ticket: 46324

DST#: 2

ATTN: Ryan Seib

Test Start: 2012.05.09 @ 05:02:00

Mud and Cushion Information

Mud Type: Gel Chem

Cushion Type:

Oil API:

deg API

Mud Weight: 10.00 lb/gal

Cushion Length:

ft

Water Salinity:

ppm

Viscosity: 50.00 sec/qt

Cushion Volume:

bbbl

Water Loss: 7.98 In³

Gas Cushion Type:

Resistivity: ohm.m

Gas Cushion Pressure:

psig

Salinity: 5400.00 ppm

Filter Cake: inches

Recovery Information

Recovery Table

Length ft	Description	Volume bbbl
62.00	GMCO, 10%G, 80%O, 10%M	0.305
124.00	GOCM, 20%G, 20%O, 80%M	1.175
310.00	GSOCM, 10%G, 10%O, 80%M	4.348
124.00	GMCO 10%G, 10%M, 80%O	1.739

Total Length: 620.00 ft Total Volume: 7.567 bbl

Num Fluid Samples: 0

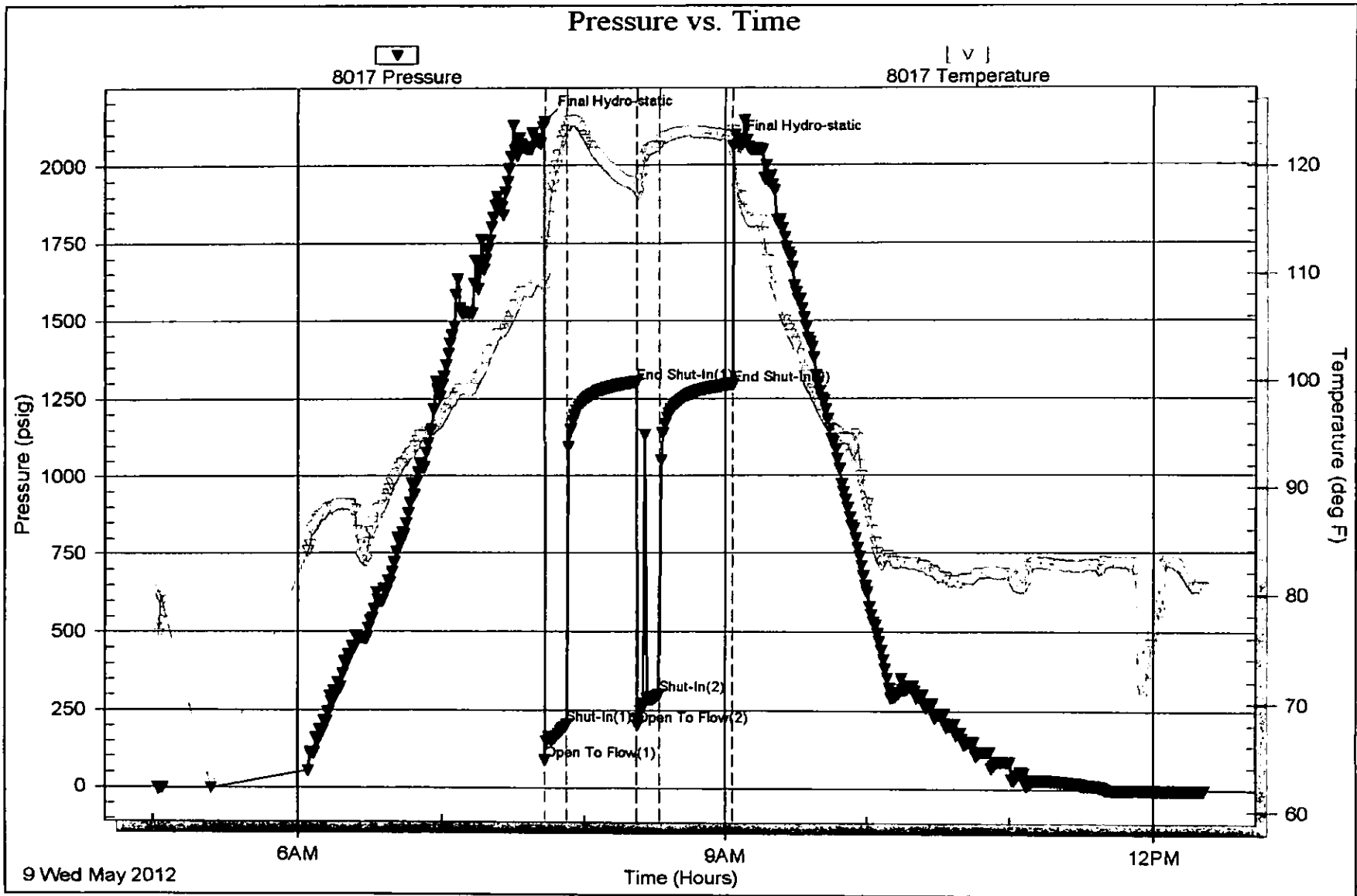
Num Gas Bombs: 0

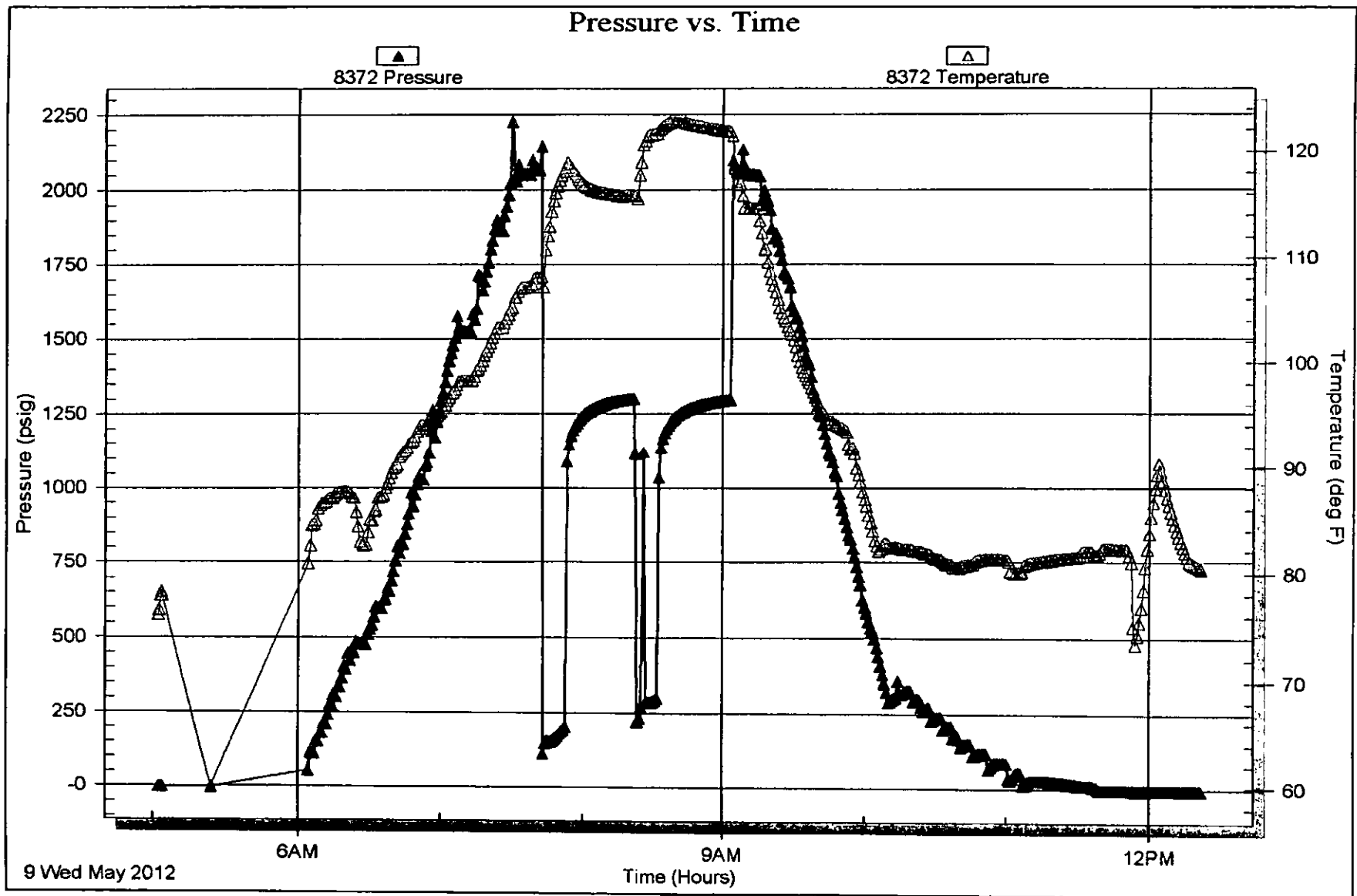
Serial #:

Laboratory Name:

Laboratory Location:

Recovery Comments: Gravity = 37 @ 80 Degrees = 39







TRILOBITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

Test Ticket

NO. 46324

Well Name & No. <u>K&J #1</u>	Test No. <u>2</u>	Date <u>5-9-12</u>
Company <u>Palomino</u>	Elevation <u>2234</u>	KB <u>2242</u> GL
Address <u>4924 SE 84th St. Newton KS, 67114</u>		
Co. Rep / Geo. <u>Ryan Seib</u>	Rig <u>WW12</u>	
Location: Sec. <u>36</u> Twp. <u>18s</u> Rge. <u>24w</u> Co. <u>Ness</u> State <u>KS</u>		

Interval Tested <u>4212-4270</u>	Zone Tested <u>Cherokee Sand</u>	
Anchor Length <u>58'</u>	Drill Pipe Run <u>4070</u>	Mud Wt. <u>9.5</u>
Top Packer Depth <u>4265</u>	Drill Collars Run <u>124'</u>	Vis <u>50</u>
Bottom Packer Depth <u>4270</u>	WI Pipe Run <u>—</u>	WL <u>8.0</u>
Total Depth <u>4270</u>	Chlorides <u>5,400</u> ppm System	LCM <u>—</u>

Blow Description IF - B.O.B. in 4 Min
ISI - 4" blow in 23 Min. Died back to a 2" blow
FF - B.O.B. in 3 Min.
FSI - surface blow back. died in 16 Min.

Rec	Feet of	%gas	%oil	%water	%mud
<u>62</u>	<u>6MCO</u>	<u>10</u>	<u>80</u>	<u>10</u>	<u>10</u>
<u>124</u>	<u>6OCM</u>	<u>20</u>	<u>20</u>	<u>60</u>	<u>60</u>
<u>310</u>	<u>650CM</u>	<u>10</u>	<u>10</u>	<u>80</u>	<u>80</u>
<u>124</u>	<u>6MCO</u>	<u>10</u>	<u>80</u>	<u>10</u>	<u>10</u>

Rec Total 620 BHT 122° Gravity 39 API RW — @ — F Chlorides — ppm

(A) Initial Hydrostatic <u>2138</u>	<input checked="" type="checkbox"/> Test 1250	T-On Location <u>2:35 am</u>
(B) First Initial Flow <u>89</u>	<input checked="" type="checkbox"/> Jars 250	T-Started <u>5:02 am</u>
(C) First Final Flow <u>204</u>	<input checked="" type="checkbox"/> Safety Joint 75	T-Open <u>7:43 am</u>
(D) Initial Shut-In <u>1301</u>	<input type="checkbox"/> Circ Sub	T-Pulled <u>9:03 am</u>
(E) Second Initial Flow <u>203</u>	<input type="checkbox"/> Hourly Standby	T-Out <u>12:22 pm</u>
(F) Second Final Flow <u>300</u>	<input checked="" type="checkbox"/> Mileage <u>65 X 2</u> 201.50	Comments <u>—</u>
(G) Final Shut-In <u>1293</u>	<input type="checkbox"/> Sampler	
(H) Final Hydrostatic <u>2057</u>	<input type="checkbox"/> Straddle	<input type="checkbox"/> Ruined Shale Packer

Initial Open <u>10</u>	<input type="checkbox"/> Shale Packer	<input type="checkbox"/> Ruined Packer
Initial Shut-In <u>30</u>	<input type="checkbox"/> Extra Packer	<input type="checkbox"/> Extra Copies
Final Flow <u>10</u>	<input type="checkbox"/> Extra Recorder	Sub Total <u>0</u>
Final Shut-In <u>30</u>	<input type="checkbox"/> Day Standby	Total <u>1776.50</u>
	<input type="checkbox"/> Accessibility	MP/DST Disc'l <u>—</u>
Sub Total <u>1776.50</u>		

Approved By — Our Representative Cody Bloodorn

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