



PO Box 93999
Southlake, TX 76092

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

INVOICE

Invoice Number: 130440
Invoice Date: Mar 10, 2012
Page: 1

RECEIVED
MAR 17 2012

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

Federal Tax I.D.#: 20-8651475

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Palo	Atwell #1 "TJ"	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-03	Great Bend	Mar 10, 2012	4/9/12

Quantity	Item	Description	Unit Price	Amount
180.00	MAT	Class A Common	16.25	2,925.00
120.00	MAT	Pozmix	8.50	1,020.00
10.00	MAT	Gel	21.25	212.50
75.00	MAT	FloSeal	2.70	202.50
313.00	SER	Handling	2.25	704.25
30.00	SER	Mileage	34.43	1,032.90
1.00	SER	Rotary Plug	1,250.00	1,250.00
60.00	SER	Heavy Vehicle Mileage	7.00	420.00
60.00	SER	Light Vehicle Mileage	4.00	240.00
1.00	EQUIP OPER	Greg Redetzke		
1.00	EQUIP OPER	Dustin Chambers		
1.00	OPER ASSIST	Kevin Weighous		
1.00	OPER ASSIST	Kerry Rose		

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

\$ 2447.88

ONLY IF PAID ON OR BEFORE
Apr 4, 2012

Subtotal	8,007.15
Sales Tax	504.45
Total Invoice Amount	8,511.60
Payment/Credit Applied	
TOTAL	8,511.60

-2,447.88
6,063.72



INVOICE

PO Box 93999
Southlake, TX 76092

Invoice Number: 130353

Invoice Date: Feb 28, 2012

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

RECEIVED
MAR 05 2012

Page: 1

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

Federal Tax I.D.#: 20-8651475

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Palo	Atwell TJ #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Great Bend	Feb 28, 2012	3/29/12

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
158.00	SER	Handling	2.25	355.50
30.00	SER	Mileage 158 sx @ .11 per sk per mi	17.38	521.40
1.00	SER	Surface	1,125.00	1,125.00
60.00	SER	Pump Truck Mileage	7.00	420.00
60.00	SER	Light Vehicle Mileage	4.00	240.00
1.00	EQUIP OPER	Dustin Chambers		
1.00	OPER ASSIST	Jonathon Ploutz		
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

\$ 1681.53

ONLY IF PAID ON OR BEFORE

Mar 24, 2012

Subtotal	5,454.15
Sales Tax	175.91
Total Invoice Amount	5,630.06
Payment/Credit Applied	
TOTAL	5,630.06

ALLIED CEMENTING CO., LLC. 042440

Federal Tax I.D.# 20-5975804

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

SERVICE POINT:
Grant Bend, KS

DATE <u>2-28-12</u>	SEC. <u>26</u>	TWP. <u>17S</u>	RANGE <u>27 W</u>	CALLED OUT	ON LOCATION	JOB START <u>4:00</u>	JOB FINISH <u>4:30</u>
LEASE AT well TO		WELL # <u>1</u>	LOCATION <u>3 West of N 46-line county line</u>		COUNTY <u>Lane</u>	STATE <u>Kansas</u>	
OLD OR <u>NEW</u> (Circle one)		LOCATION <u>5 North 3 East</u>					

CONTRACTOR Pickrell Drilling Co. INC.
 TYPE OF JOB Surface
 HOLE SIZE 12 1/4 T.D. 218
 CASING SIZE 4 3/8 DEPTH 208
 TUBING SIZE DEPTH
 DRILL PIPE DEPTH
 TOOL DEPTH
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT
 CEMENT LEFT IN CSG. 15 FT.
 PERFS.
 DISPLACEMENT 11,84 bbls Freshwater
 EQUIPMENT

PUMP TRUCK CEMENTER Dustin L
 # 395 HELPER Jon P
 BULK TRUCK
 # 341 DRIVER Kevin W.
 BULK TRUCK
 # DRIVER

REMARKS:

Pipe on bottom break circulation with rig mud
mix 150 sks class A 3y.c.c & 2y.gel
Displace with 11.84 bbls freshwater &
shut in
Cement did circulate
plug 12mm
Big Down 4:30 AM

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

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

PRINTED NAME X Michael Ken
 SIGNATURE X [Signature]

Thank You!!

OWNER Palomino Petroleum INC
 CEMENT
 AMOUNT ORDERED 150 sks Class A
3y.c.c 2y.gel
 COMMON 150 @ 16.25 2,437.50
 POZMIX @ _____
 GEL 3 @ 21.25 63.75
 CHLORIDE 5 @ 58.20 291.00
 ASC @ _____
 HANDLING 158 @ 2.25 355.00
 MILEAGE 158 x 30 x .11 521.40
 TOTAL 3,669.15

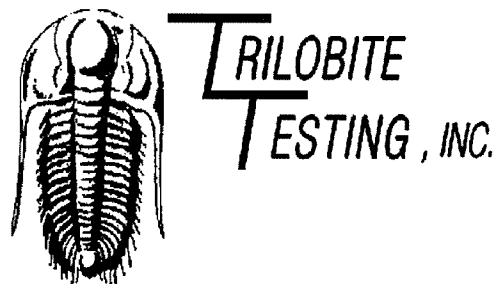
SERVICE

DEPTH OF JOB 218
 PUMP TRUCK CHARGE 1125.00
 EXTRA FOOTAGE @ _____
 MILEAGE Hum 60 @ 7.00 420.00
 MANIFOLD @ _____
Hum 60 @ 4.00 240.00
 TOTAL 1785.00

PLUG & FLOAT EQUIPMENT

@ _____
 @ _____
 @ _____
 @ _____
 @ _____
 TOTAL _____

SALES TAX (If Any) _____
 TOTAL CHARGES 5454.15
 70% 20% 1681.53
 DISCOUNT _____ IF PAID IN 30 DAYS
3772.62



DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum, Inc.**

4924 SE 84th St.
Newton, KS 67114

ATTN: Pat Balthazor

Atwell TJ #1

S26-17s-27w Lane, KS

Start Date: 2012.03.06 @ 18:55:00

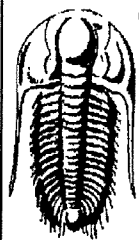
End Date: 2012.03.07 @ 01:52:50

Job Ticket #: 45086 DST #: 1

Trilobite Testing, Inc

PO Box 362 Hays, KS 67601

ph: 785-625-4778 fax: 785-625-5620



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

Palomino Petroleum, Inc.

S26-17s-27w Lane, KS

4924 SE 84th St.
New ton, KS 67114

Atwell TJ #1

Job Ticket: 45086

DST#: 1

ATTN: Pat Balthazor

Test Start: 2012.03.06 @ 18:55:00

GENERAL INFORMATION:

Formation: **LKC "I-J"**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 21:27:00

Time Test Ended: 01:52:50

Test Type: Conventional Bottom Hole (Initial)

Tester: Chuck Smith

Unit No: 37

Interval: **4088.00 ft (KB) To 4155.00 ft (KB) (TVD)**

Reference Elevations: 2593.00 ft (KB)

Total Depth: 4155.00 ft (KB) (TVD)

2583.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Good

KB to GR/CF: 10.00 ft

Serial #: 8018

Inside

Press@RunDepth: 65.13 psig @ 4092.00 ft (KB)

Capacity: 8000.00 psig

Start Date: 2012.03.06

End Date:

2012.03.07

Last Calib.:

2012.03.07

Start Time: 18:55:02

End Time:

01:52:49

Time On Btm:

2012.03.06 @ 21:25:10

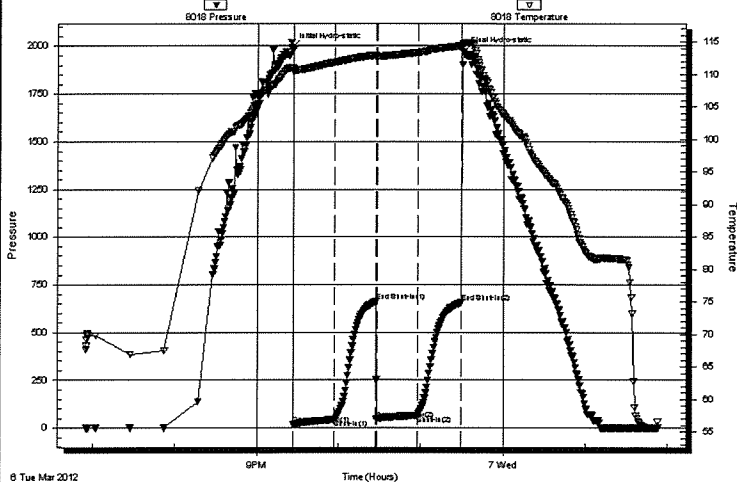
Time Off Btm:

2012.03.06 @ 23:30:30

TEST COMMENT:

5" Blow .
Weak surface return died @ 5 min.
3" Blow .
No return.

Pressure vs. Time



PRESSURE SUMMARY

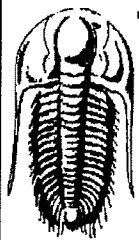
Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1990.92	110.99	Initial Hydro-static
2	16.15	110.25	Open To Flow (1)
33	43.16	111.86	Shut-In(1)
63	662.19	112.90	End Shut-In(1)
63	44.65	112.63	Open To Flow (2)
93	65.13	113.36	Shut-In(2)
125	656.45	114.38	End Shut-In(2)
126	1971.27	114.67	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
100.00	OCM 2o 98m	0.49

Gas Rates

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



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum, Inc.

S26-17s-27w Lane, KS

4924 SE 84th St.
New ton, KS 67114

Atwell TJ #1

Job Ticket: 45086

DST#: 1

ATTN: Pat Balthazor

Test Start: 2012.03.06 @ 18:55:00

Tool Information

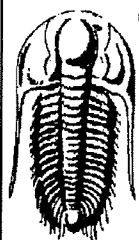
Drill Pipe:	Length: 3943.00 ft	Diameter: 3.80 inches	Volume: 55.31 bbl	Tool Weight: 2500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: inches	Volume: 0.00 bbl	Weight set on Packer: 25000.00 lb
Drill Collar:	Length: 124.00 ft	Diameter: 2.25 inches	Volume: 0.61 bbl	Weight to Pull Loose: 90000.00 lb
			<u>Total Volume: 55.92 bbl</u>	Tool Chased 0.00 ft
Drill Pipe Above KB:	6.50 ft			String Weight: Initial 80000.00 lb
Depth to Top Packer:	4088.00 ft			Final 80000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	67.00 ft			
Tool Length:	94.50 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			4061.50	
Shut In Tool	5.00			4066.50	
Hydraulic tool	5.00			4071.50	
Jars	5.00			4076.50	
Safety Joint	2.50			4079.00	
Packer	5.00			4084.00	27.50 Bottom Of Top Packer
Packer	4.00			4088.00	
Stubb	1.00			4089.00	
Perforations	3.00			4092.00	
Recorder	0.00	8018	Inside	4092.00	
Recorder	0.00	6751	Outside	4092.00	
Perforations	27.00			4119.00	
Change Over Sub	1.00			4120.00	
Drill Pipe	31.00			4151.00	
Change Over Sub	1.00			4152.00	
Bullnose	3.00			4155.00	67.00 Bottom Packers & Anchor
Total Tool Length:	94.50				



TRILOBITE
TESTING, INC

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum, Inc.

S26-17s-27w Lane, KS

4924 SE 84th St.
New ton, KS 67114

Atwell TJ #1

Job Ticket: 45086

DST#: 1

ATTN: Pat Balthazor

Test Start: 2012.03.06 @ 18:55:00

Mud and Cushion Information

Mud Type: Gel Chem
Mud Weight: 9.00 lb/gal
Viscosity: 50.00 sec/qt
Water Loss: 7.58 in³
Resistivity: ohm.m
Salinity: 2800.00 ppm
Filter Cake: 1.00 inches

Cushion Type:
Cushion Length: ft
Cushion Volume: bbl
Gas Cushion Type:
Gas Cushion Pressure: psig

Oil API: deg API
Water Salinity: ppm

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
100.00	OCM 2o 98m	0.492

Total Length: 100.00 ft Total Volume: 0.492 bbl

Num Fluid Samples: 0 Num Gas Bombs: 0 Serial #:

Laboratory Name: Laboratory Location:

Recovery Comments:

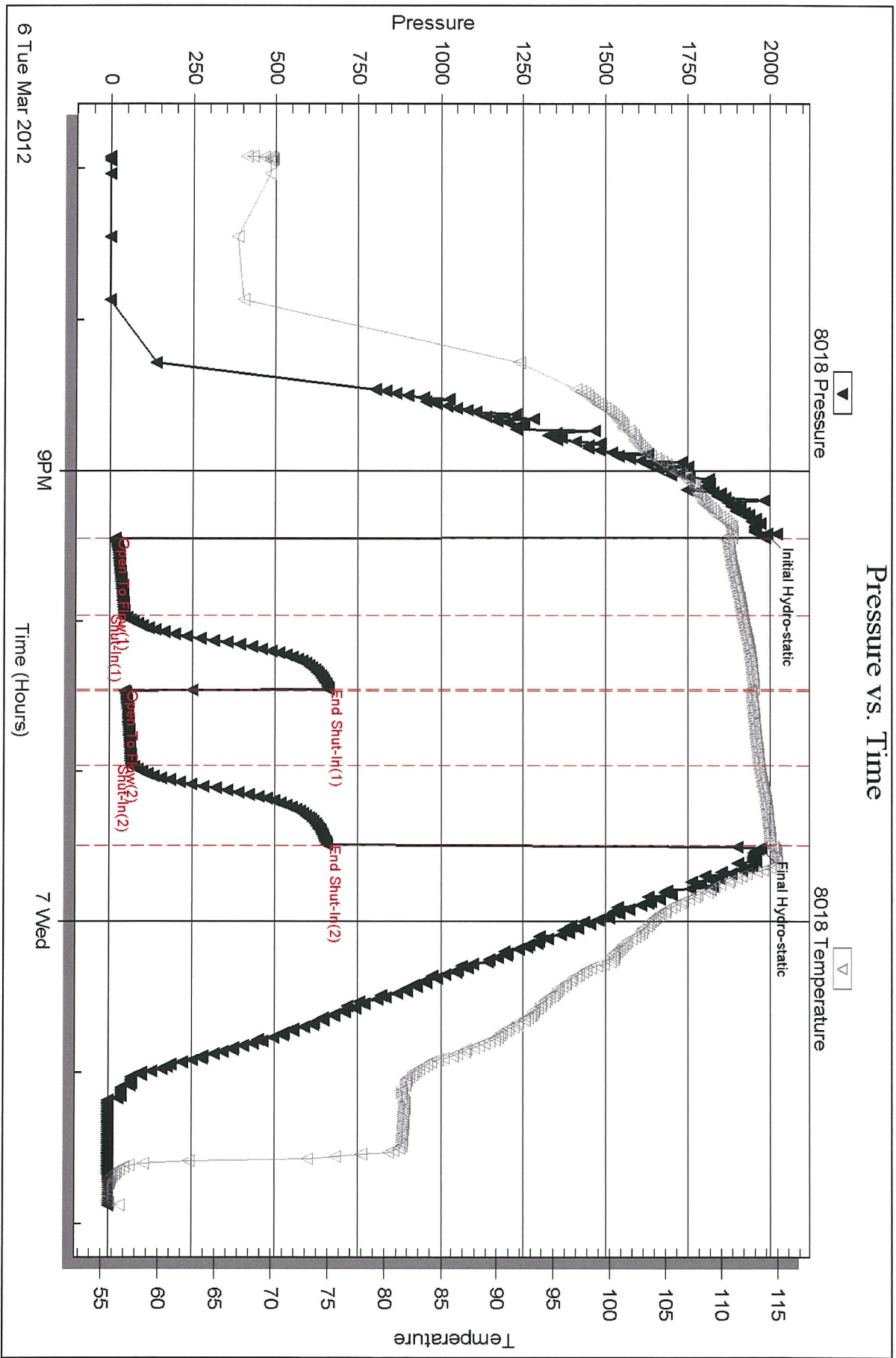
Serial #: 8018

Inside

Palomino Petroleum, Inc.

Atwell TJ #1

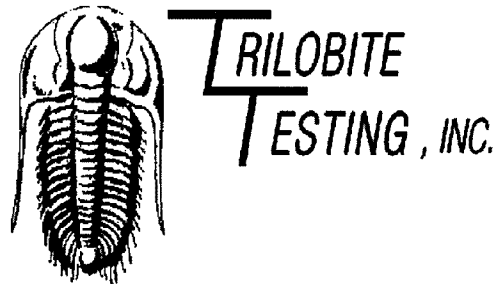
DST Test Number: 1



Trilobite Testing, Inc

Ref. No: 45086

Printed: 2012.03.12 @ 15:50:37



DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum, Inc.**

4924 SE 84th St.
Newton, KS 67114

ATTN: Pat Balthazor

Atwell TJ #1

S26-17s-27w Lane, KS

Start Date: 2012.03.07 @ 15:10:00

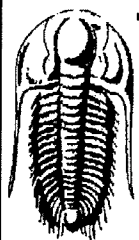
End Date: 2012.03.07 @ 21:30:39

Job Ticket #: 45087 DST #: 2

Trilobite Testing, Inc

PO Box 362 Hays, KS 67601

ph: 785-625-4778 fax: 785-625-5620



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum, Inc.

S26-17s-27w Lane, KS

4924 SE 84th St.
New ton, KS 67114

Atwell TJ #1

Job Ticket: 45087

DST#: 2

ATTN: Pat Balthazor

Test Start: 2012.03.07 @ 15:10:00

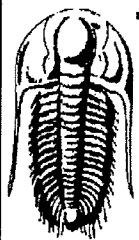
Tool Information

Drill Pipe:	Length: 4037.00 ft	Diameter: 3.80 inches	Volume: 56.63 bbl	Tool Weight: 2500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: 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: 90000.00 lb
			<u>Total Volume: 57.24 bbl</u>	Tool Chased 0.00 ft
Drill Pipe Above KB:	32.50 ft			String Weight: Initial 81000.00 lb
Depth to Top Packer:	4156.00 ft			Final 81000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	104.00 ft			
Tool Length:	131.50 ft			
Number of Packers:	2	Diameter: 6.75 inches		

Tool Comments:

Tool Description

Tool Description	Length (ft)	Serial No.	Position	Depth (ft)	Accum. Lengths
Change Over Sub	1.00			4129.50	
Shut In Tool	5.00			4134.50	
Hydraulic tool	5.00			4139.50	
Jars	5.00			4144.50	
Safety Joint	2.50			4147.00	
Packer	5.00			4152.00	27.50 Bottom Of Top Packer
Packer	4.00			4156.00	
Stubb	1.00			4157.00	
Perforations	3.00			4160.00	
Recorder	0.00	8018	Inside	4160.00	
Recorder	0.00	6751	Outside	4160.00	
Perforations	2.00			4162.00	
Change Over Sub	1.00			4163.00	
Drill Pipe	93.00			4256.00	
Change Over Sub	1.00			4257.00	
Bullnose	3.00			4260.00	104.00 Bottom Packers & Anchor
Total Tool Length:	131.50				



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum, Inc.

S26-17s-27w Lane, KS

4924 SE 84th St.
New ton, KS 67114

Atwell TJ #1

Job Ticket: 45087

DST#: 2

ATTN: Pat Balthazor

Test Start: 2012.03.07 @ 15:10:00

Mud and Cushion Information

Mud Type: Gel Chem
Mud Weight: 9.00 lb/gal
Viscosity: 48.00 sec/qt
Water Loss: 7.18 in³
Resistivity: ohm.m
Salinity: 4100.00 ppm
Filter Cake: 1.00 inches

Cushion Type:
Cushion Length: ft
Cushion Volume: bbl
Gas Cushion Type:
Gas Cushion Pressure: psig

Oil API: deg API
Water Salinity: ppm

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
30.00	OSM 100m	0.148

Total Length: 30.00 ft Total Volume: 0.148 bbl

Num Fluid Samples: 0 Num Gas Bombs: 0 Serial #:

Laboratory Name: Laboratory Location:

Recovery Comments:

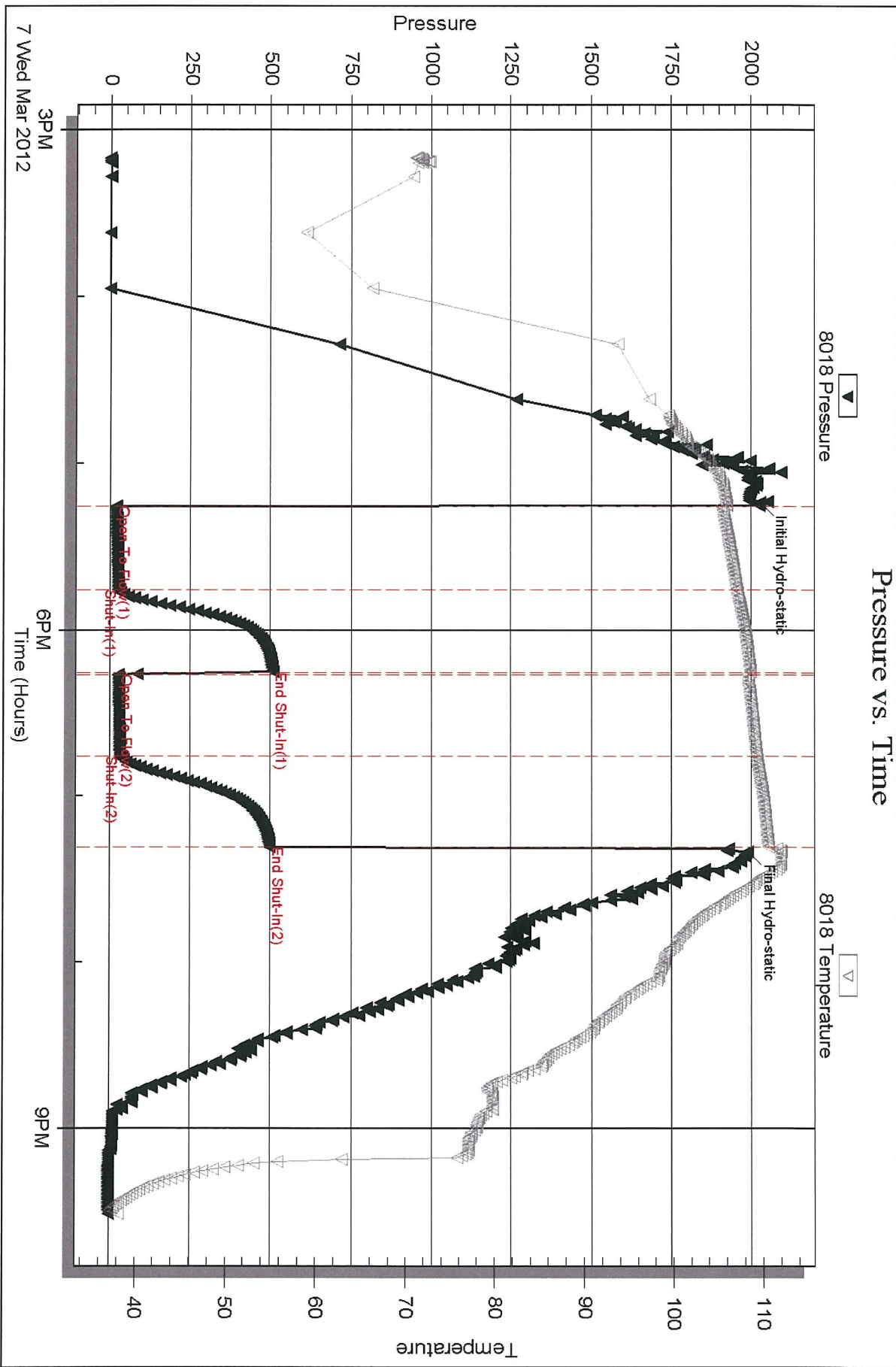
Serial #: 8018

Inside

Palomino Petroleum, Inc.

Atwell TJ #1

DST Test Number: 2



Trilobite Testing, Inc

Ref. No: 45087

Printed: 2012.03.12 @ 15:49:54

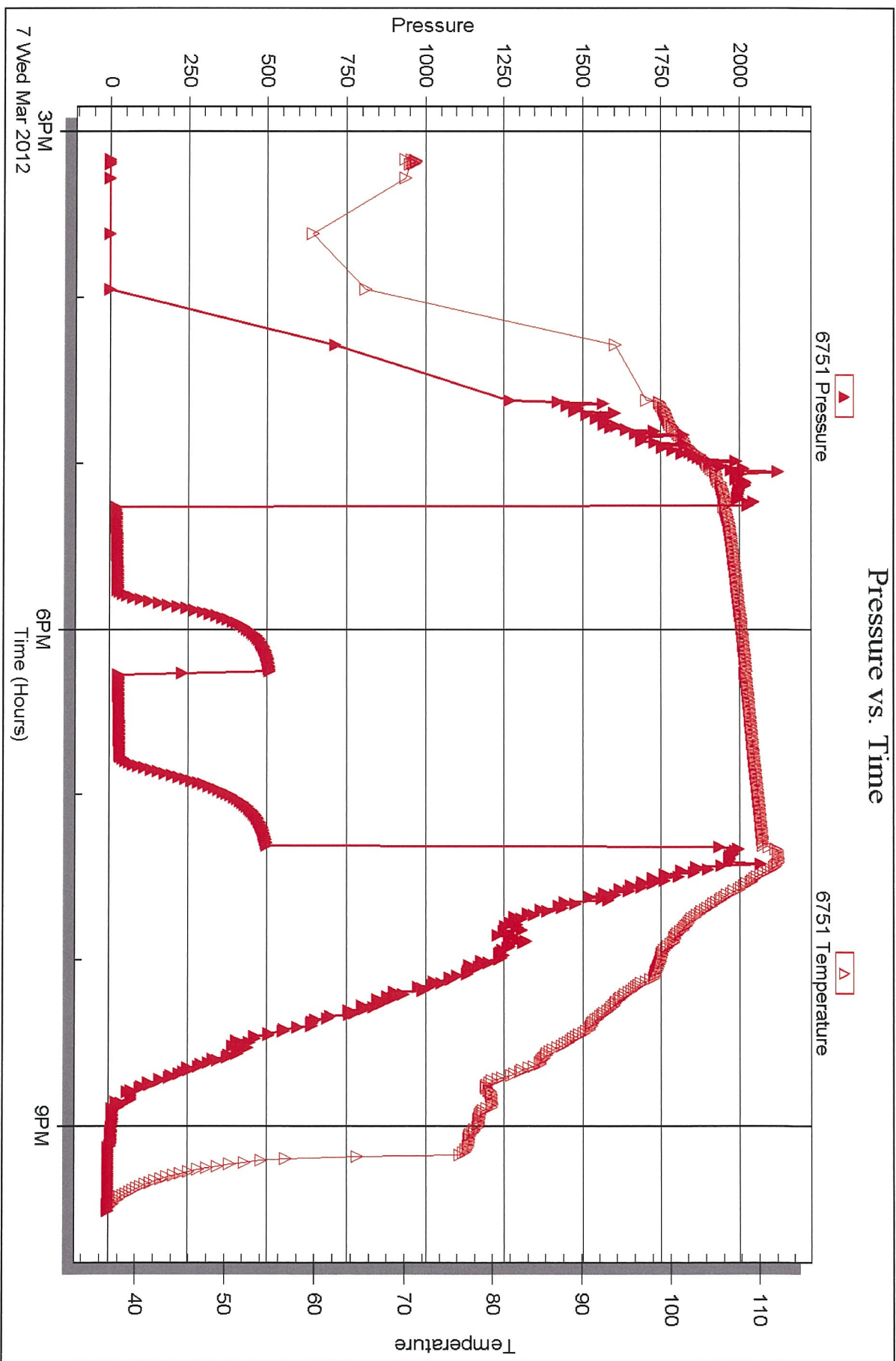
Serial #: 6751

Outside

Palomno Petroleum, Inc.

Alw ell TJ #1

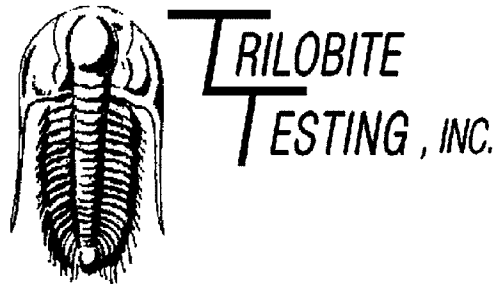
DST Test Number: 2



Triobite Testing, Inc

Ref. No: 45087

Printed: 2012.03.12 @ 15:49:54



DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum, Inc.**

4924 SE 84th St.
Newton, KS 67114

ATTN: Pat Balthazor

Atwell TJ #1

S26-17s-27w Lane, KS

Start Date: 2012.03.08 @ 11:37:00

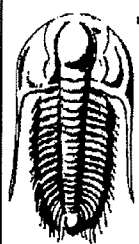
End Date: 2012.03.08 @ 17:38:20

Job Ticket #: 45088 DST #: 3

Trilobite Testing, Inc

PO Box 362 Hays, KS 67601

ph: 785-625-4778 fax: 785-625-5620



TRILOBITE TESTING, INC

DRILL STEM TEST REPORT

Palomino Petroleum, Inc.

S26-17s-27w Lane, KS

4924 SE 84th St.
New ton, KS 67114

Atwell TJ #1

Job Ticket: 45088

DST#: 3

ATTN: Pat Balthazor

Test Start: 2012.03.08 @ 11:37:00

GENERAL INFORMATION:

Formation: **Marmaton**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 13:51:40

Time Test Ended: 17:38:20

Test Type: Conventional Bottom Hole (Reset)

Tester: Chuck Smith

Unit No: 37

Interval: **4194.00 ft (KB) To 4354.00 ft (KB) (TVD)**

Reference Elevations: 2593.00 ft (KB)

Total Depth: 4354.00 ft (KB) (TVD)

2583.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Good

KB to GR/CF: 10.00 ft

Serial #: 6751

Outside

Press@RunDepth: 30.92 psig @ 4199.00 ft (KB)

Capacity: 8000.00 psig

Start Date: 2012.03.08

End Date:

2012.03.08

Last Calib.:

2012.03.08

Start Time: 11:37:02

End Time:

17:38:19

Time On Btm:

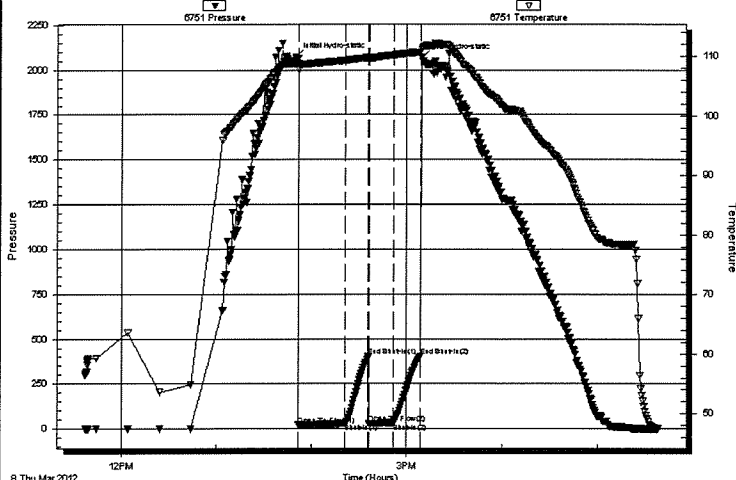
2012.03.08 @ 13:49:40

Time Off Btm:

2012.03.08 @ 15:09:20

TEST COMMENT: 3/4 " Blow .
No return.
No blow .
No return.

Pressure vs. Time



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2071.27	108.75	Initial Hydro-static
2	20.57	107.78	Open To Flow (1)
31	27.53	109.35	Shut-In(1)
46	400.89	109.81	End Shut-In(1)
47	28.28	109.60	Open To Flow (2)
62	30.92	110.24	Shut-In(2)
79	403.48	110.73	End Shut-In(2)
80	2067.55	111.22	Final Hydro-static

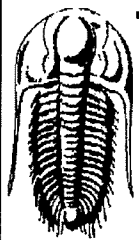
Recovery

Length (ft)	Description	Volume (bbl)
30.00	M 100m	0.15

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.

S26-17s-27w Lane, KS

4924 SE 84th St.
New ton, KS 67114

Atwell TJ #1

Job Ticket: 45088

DST#: 3

ATTN: Pat Balthazor

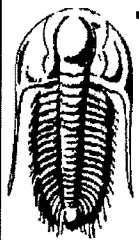
Test Start: 2012.03.08 @ 11:37:00

Tool Information

Drill Pipe:	Length: 4071.00 ft	Diameter: 3.80 inches	Volume: 57.11 bbl	Tool Weight: 2500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: inches	Volume: 0.00 bbl	Weight set on Packer: 24000.00 lb
Drill Collar:	Length: 124.00 ft	Diameter: 2.25 inches	Volume: 0.61 bbl	Weight to Pull Loose: 90000.00 lb
			<u>Total Volume: 57.72 bbl</u>	Tool Chased 0.00 ft
Drill Pipe Above KB:	28.50 ft			String Weight: Initial 82000.00 lb
Depth to Top Packer:	4194.00 ft			Final 82000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	160.00 ft			
Tool Length:	187.50 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			4167.50	
Shut In Tool	5.00			4172.50	
Hydraulic tool	5.00			4177.50	
Jars	5.00			4182.50	
Safety Joint	2.50			4185.00	
Packer	5.00			4190.00	27.50 Bottom Of Top Packer
Packer	4.00			4194.00	
Stubb	1.00			4195.00	
Perforations	4.00			4199.00	
Recorder	0.00	8018	Inside	4199.00	
Recorder	0.00	6751	Outside	4199.00	
Perforations	25.00			4224.00	
Change Over Sub	1.00			4225.00	
Drill Pipe	125.00			4350.00	
Change Over Sub	1.00			4351.00	
Bullnose	3.00			4354.00	160.00 Bottom Packers & Anchor
Total Tool Length:	187.50				



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum, Inc.

S26-17s-27w Lane, KS

4924 SE 84th St.
New ton, KS 67114

Atwell TJ #1

Job Ticket: 45088

DST#: 3

ATTN: Pat Balthazor

Test Start: 2012.03.08 @ 11:37:00

Mud and Cushion Information

Mud Type: Gel Chem
Mud Weight: 9.00 lb/gal
Viscosity: 51.00 sec/qt
Water Loss: 7.19 in³
Resistivity: ohm.m
Salinity: 4100.00 ppm
Filter Cake: 1.00 inches

Cushion Type:
Cushion Length: ft
Cushion Volume: bbl
Gas Cushion Type:
Gas Cushion Pressure: psig

Oil API: deg API
Water Salinity: ppm

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
30.00	M 100m	0.148

Total Length: 30.00 ft Total Volume: 0.148 bbl

Num Fluid Samples: 0 Num Gas Bombs: 0 Serial #:

Laboratory Name: Laboratory Location:

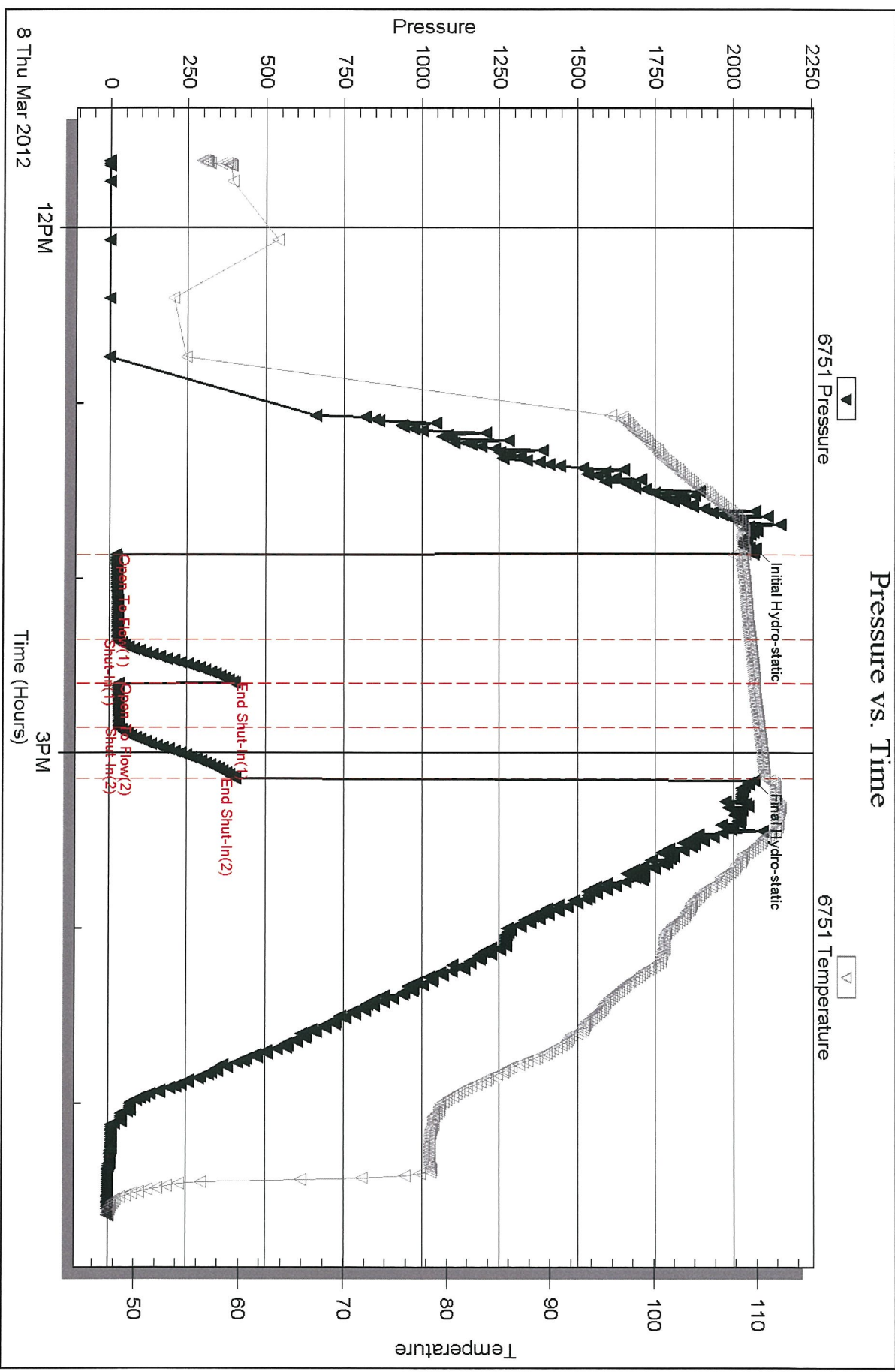
Recovery Comments:

Serial #: 6751

Outside Palomino Petroleum, Inc.

Atw ell TJ #1

DST Test Number: 3



Trilobite Testing, Inc

Ref. No: 45088

Printed: 2012.03.12 @ 15:48:52

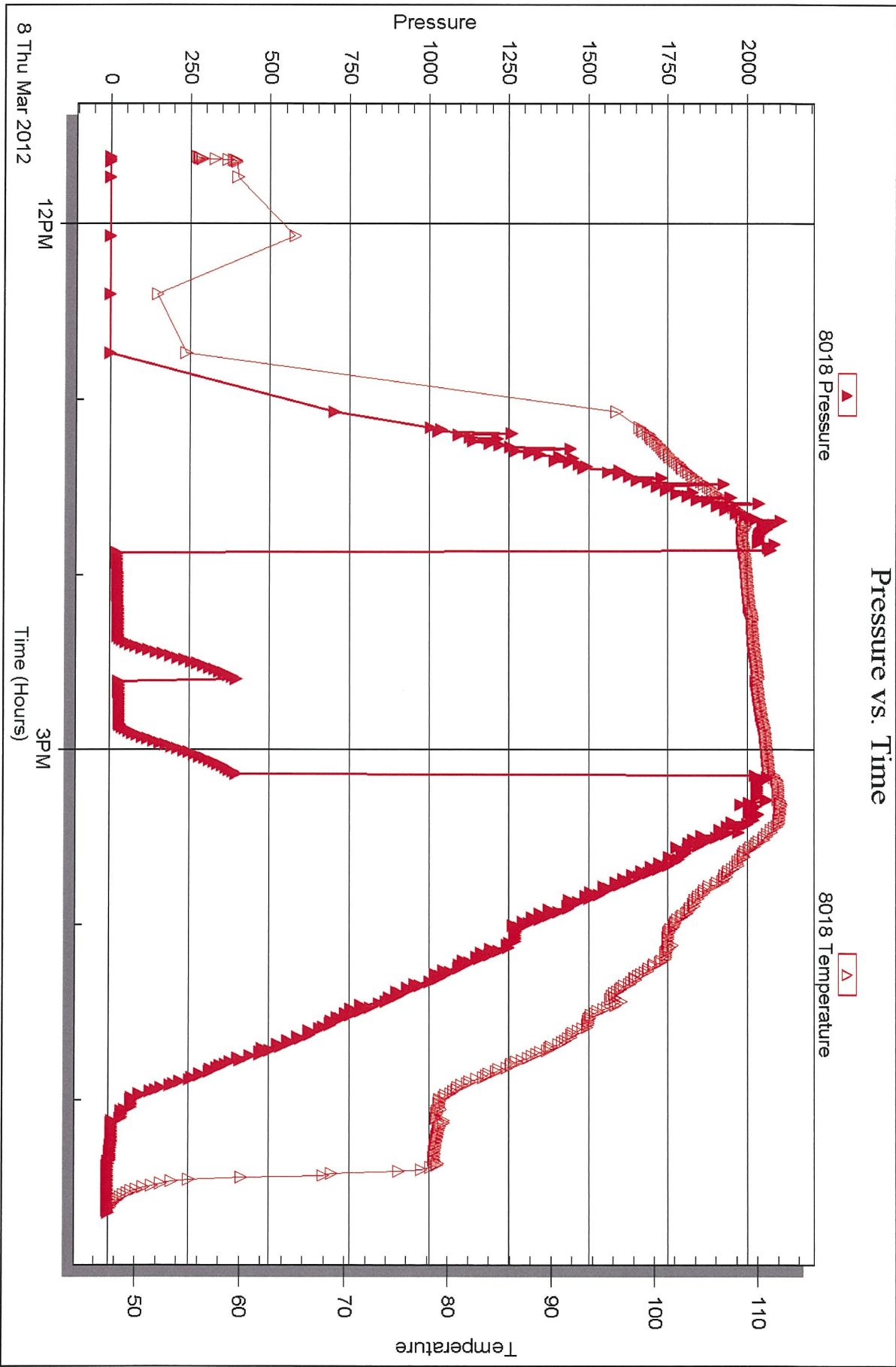
Serial #: 8018

Inside

Palomino Petroleum, Inc.

Atwell TJ #1

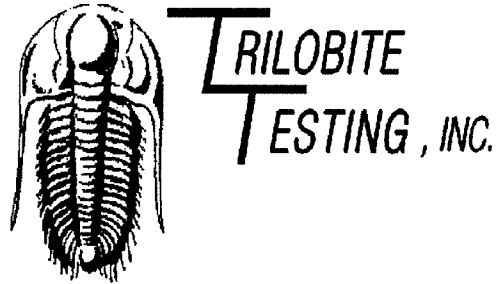
DST Test Number: 3



Trilobite Testing, Inc

Ref. No: 45088

Printed: 2012.03.12 @ 15:48:54



DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum, Inc.**

4924 SE 84th St.
Newton, KS 67114

ATTN: Pat Balthazor

Atwell TJ #1

S26-17s-27w Lane, KS

Start Date: 2012.03.10 @ 01:14:00

End Date: 2012.03.10 @ 09:19:09

Job Ticket #: 45089 DST #: 4

Trilobite Testing, Inc
PO Box 362 Hays, KS 67601
ph: 785-625-4778 fax: 785-625-5620



TRILOBITE TESTING, INC

DRILL STEM TEST REPORT

Palomino Petroleum, Inc.

S26-17s-27w Lane, KS

4924 SE 84th St.
New ton, KS 67114

Atwell TJ #1

Job Ticket: 45089

DST#: 4

ATTN: Pat Balthazor

Test Start: 2012.03.10 @ 01:14:00

GENERAL INFORMATION:

Formation: **LKC 'A'**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 04:33:20

Time Test Ended: 09:19:09

Test Type: Conventional Straddle (Reset)

Tester: Chuck Smith

Unit No: 37

Interval: 3890.00 ft (KB) To 3924.00 ft (KB) (TVD)

Reference Elevations: 2593.00 ft (KB)

Total Depth: 4545.00 ft (KB) (TVD)

2583.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Good

KB to GR/CF: 10.00 ft

Serial #: 8018

Inside

Press@RunDepth: 38.50 psig @ 3904.00 ft (KB)

Capacity: 8000.00 psig

Start Date: 2012.03.10 End Date: 2012.03.10

Last Calib.: 2012.03.10

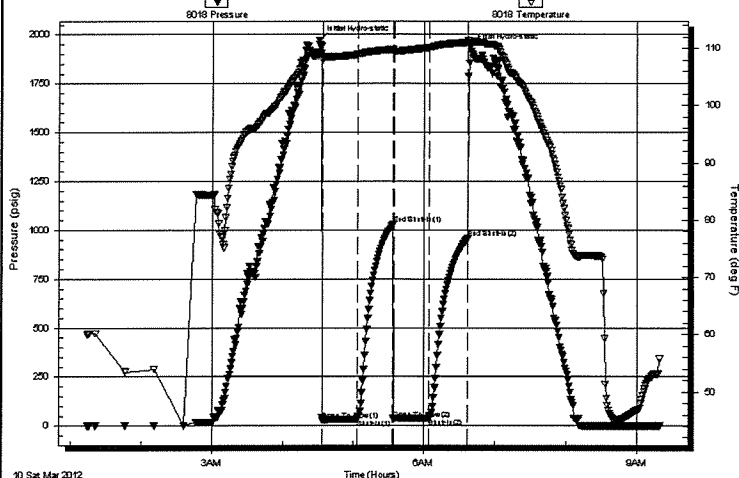
Start Time: 01:14:02 End Time: 09:19:10

Time On Btm: 2012.03.10 @ 04:30:30

Time Off Btm: 2012.03.10 @ 06:39:00

TEST COMMENT: 1 3/4" Blow.
No return.
Surface blow.
No return.

Pressure vs. Time



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1972.63	109.11	Initial Hydro-static
3	27.27	108.54	Open To Flow (1)
34	33.77	108.91	Shut-In(1)
64	1030.53	109.84	End Shut-In(1)
64	35.03	109.24	Open To Flow (2)
94	38.50	110.16	Shut-In(2)
127	959.62	111.06	End Shut-In(2)
129	1932.75	111.07	Final Hydro-static

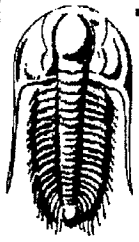
Recovery

Length (ft)	Description	Volume (bbl)
20.00	M 100 m Oil spots in tool.	0.10

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.

S26-17s-27w Lane, KS

4924 SE 84th St.
New ton, KS 67114

Atwell TJ #1

Job Ticket: 45089

DST#: 4

ATTN: Pat Balthazor

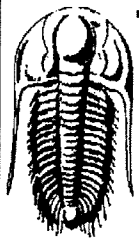
Test Start: 2012.03.10 @ 01:14:00

Tool Information

Drill Pipe:	Length: 3754.00 ft	Diameter: 3.80 inches	Volume: 52.66 bbl	Tool Weight: 5500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: inches	Volume: 0.00 bbl	Weight set on Packer: 32000.00 lb
Drill Collar:	Length: 124.00 ft	Diameter: 2.25 inches	Volume: 0.61 bbl	Weight to Pull Loose: 95000.00 lb
			<u>Total Volume: 53.27 bbl</u>	Tool Chased 0.00 ft
Drill Pipe Above KB:	15.50 ft			String Weight: Initial 86000.00 lb
Depth to Top Packer:	3890.00 ft			Final 86000.00 lb
Depth to Bottom Packer:	3924.00 ft			
Interval between Packers:	34.00 ft			
Tool Length:	682.50 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			3863.50	
Shut In Tool	5.00			3868.50	
Hydraulic tool	5.00			3873.50	
Jars	5.00			3878.50	
Safety Joint	2.50			3881.00	
Packer	5.00			3886.00	27.50 Bottom Of Top Packer
Packer	4.00			3890.00	
Stubb	1.00			3891.00	
Perforations	13.00			3904.00	
Recorder	0.00	8018	Inside	3904.00	
Recorder	0.00	6751	Outside	3904.00	
Perforations	16.00			3920.00	
Blank Off Sub	1.00			3921.00	
top of s pack	3.00			3924.00	34.00 Tool Interval
Packer	0.00			3924.00	
Stubb	1.00			3925.00	
Perforations	16.00			3941.00	
Change Over Sub	1.00			3942.00	
Drill Pipe	599.00			4541.00	
Change Over Sub	1.00			4542.00	
Recorder	0.00	8357	Below	4542.00	
Bullnose	3.00			4545.00	621.00 Bottom Packers & Anchor
Total Tool Length:		682.50			



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum, Inc.

S26-17s-27w Lane, KS

4924 SE 84th St.
New ton, KS 67114

Atwell TJ #1

Job Ticket: 45089

DST#: 4

ATTN: Pat Balthazor

Test Start: 2012.03.10 @ 01:14:00

Mud and Cushion Information

Mud Type: Gel Chem
Mud Weight: 9.00 lb/gal
Viscosity: 50.00 sec/qt
Water Loss: 7.98 in³
Resistivity: ohm.m
Salinity: 5500.00 ppm
Filter Cake: 1.00 inches

Cushion Type:
Cushion Length: ft
Cushion Volume: bbl
Gas Cushion Type:
Gas Cushion Pressure: psig

Oil API: deg API
Water Salinity: ppm

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
20.00	M 100 m Oil spots in tool.	0.098

Total Length: 20.00 ft Total Volume: 0.098 bbl

Num Fluid Samples: 0 Num Gas Bombs: 0 Serial #:

Laboratory Name: Laboratory Location:

Recovery Comments:

Serial #: 8018

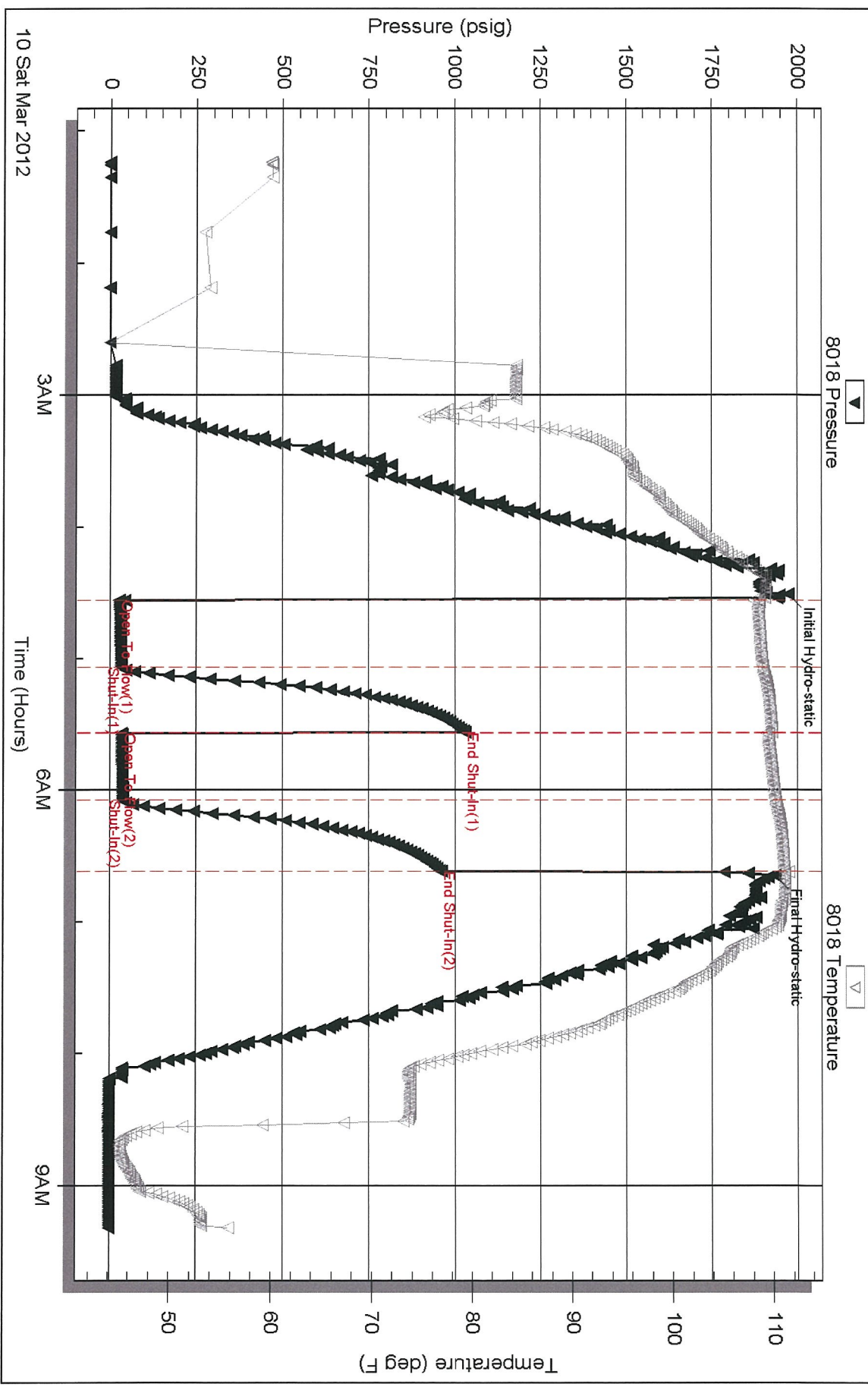
Inside

Palomino Petroleum, Inc.

Atwell TU #1

DST Test Number: 4

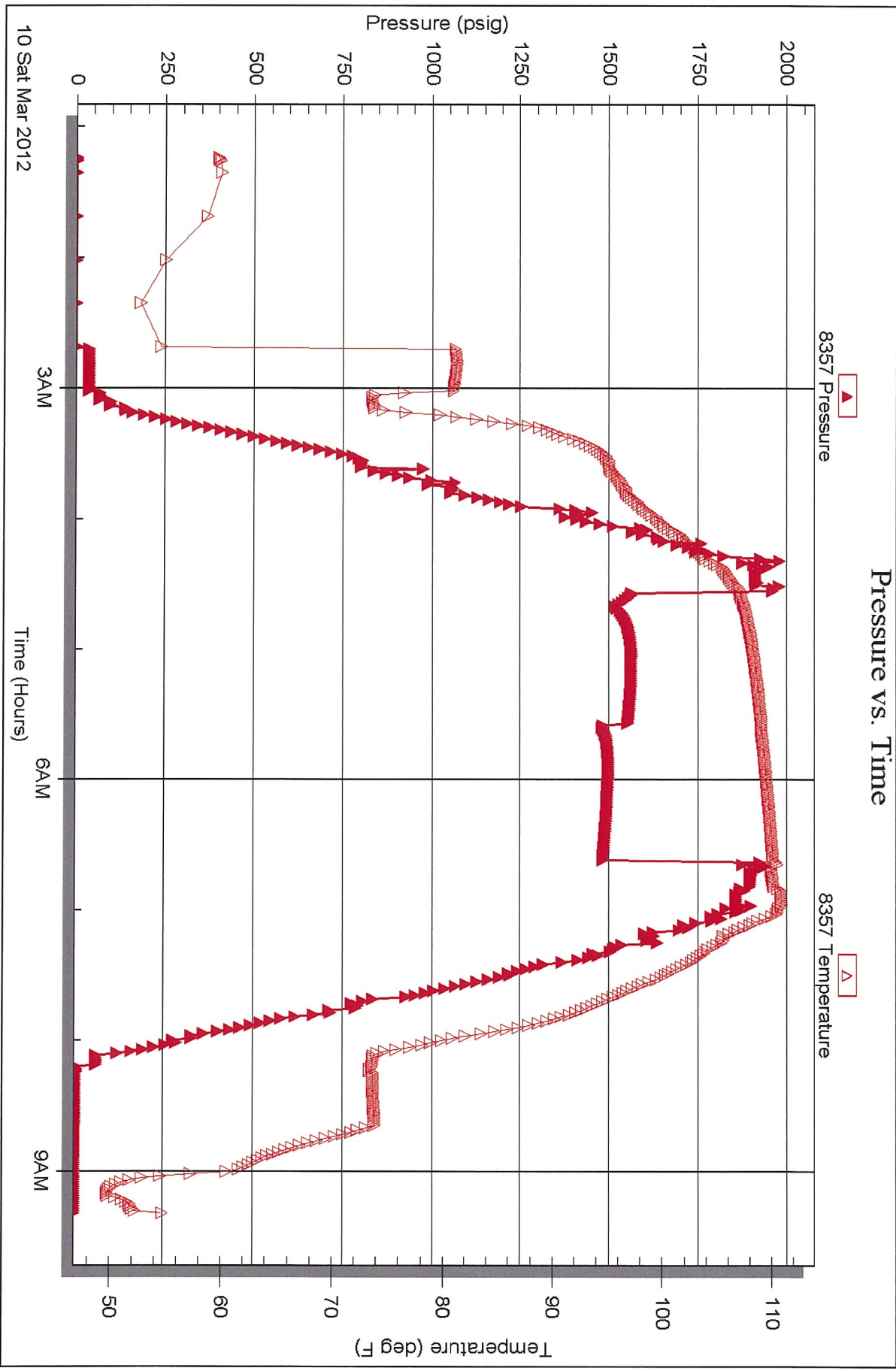
Pressure vs. Time



Trilobite Testing, Inc

Ref. No: 45089

Printed: 2012.03.12 @ 15:48:00

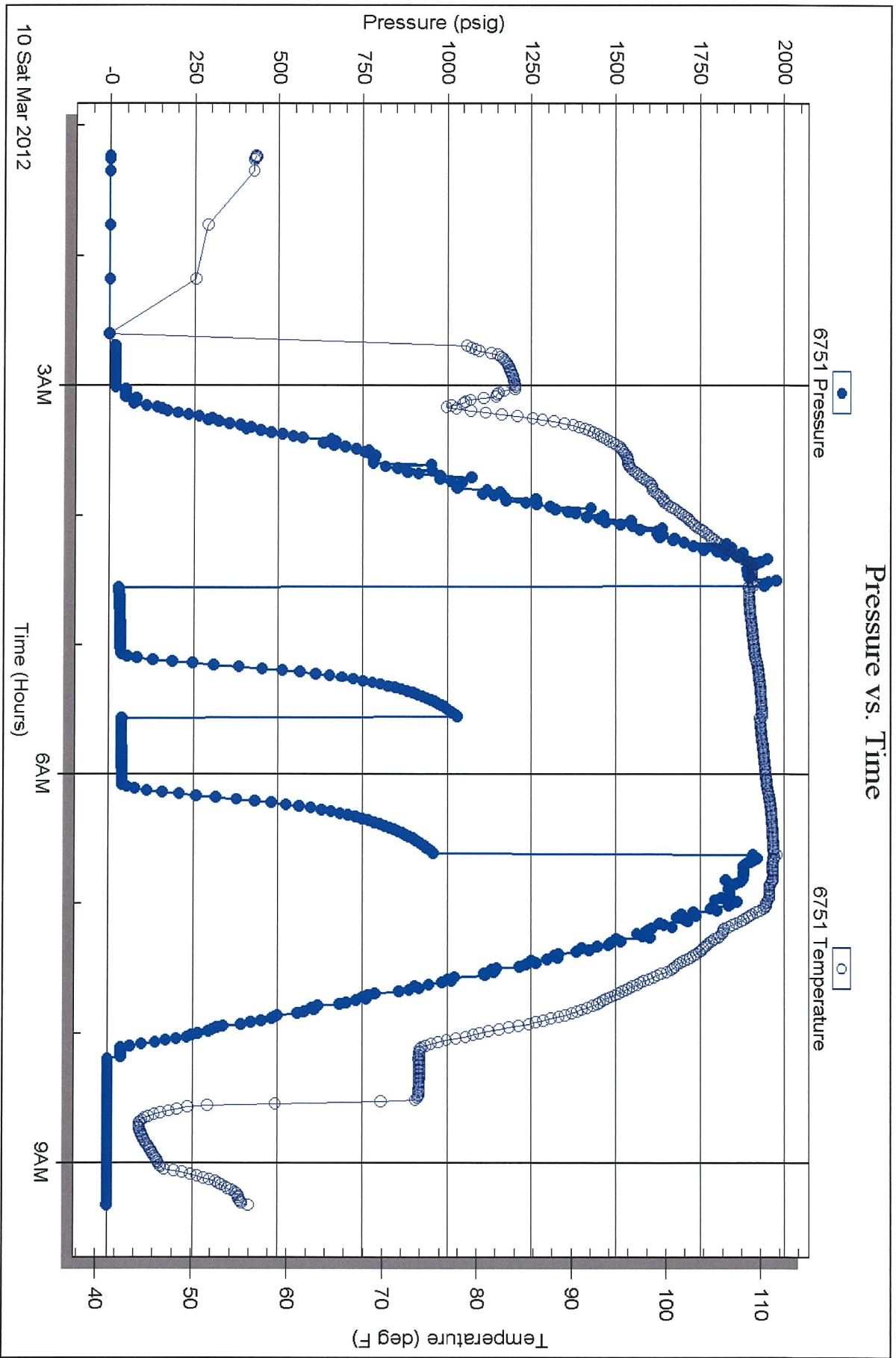


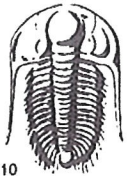
Serial #: 6751

Outside Palomino Petroleum, Inc.

Atwell TJ #1

DST Test Number: 4





TRILOBITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

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Test Ticket

NO. 45086

Well Name & No. Atwell T5 #1 BY: _____ Test No. 1 Date 3-6-12
 Company Palomino Petroleum, Inc. Elevation 2593 KB 2583 GL _____
 Address 4924 SE 84th St. Newton, KS 67114
 Co. Rep / Geo. Pat Balzalaer Rig Pickrell #1
 Location: Sec. 26 Twp. 17s Rge. 27w Co. Lane State KS

Interval Tested 4088 - 4155 Zone Tested LKC
 Anchor Length 67 Drill Pipe Run 3943 Mud Wt. 9.0
 Top Packer Depth 4084 Drill Collars Run 124 Vis 50
 Bottom Packer Depth 4088 Wt. Pipe Run 0 WL 7.6
 Total Depth 4155 Chlorides 2800 ppm System LCM 1
 Blow Description 5" Blow
Weak surface return died @ 5 min.
3" Blow.
No return.

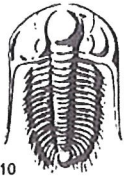
Rec	Feet of	%gas	%oil	%water	%mud
Rec <u>100</u>	Feet of <u>OCM</u>	%gas	<u>2</u> %oil	%water	<u>98</u> %mud
Rec _____	Feet of _____	%gas	%oil	%water	%mud
Rec _____	Feet of _____	%gas	%oil	%water	%mud
Rec _____	Feet of _____	%gas	%oil	%water	%mud

Rec Total 100 BHT 114 Gravity - API RW @ _____ °F Chlorides - ppm

(A) Initial Hydrostatic <u>1991</u>	<input checked="" type="checkbox"/> Test <u>1225'</u>	T-On Location <u>18:00</u>
(B) First Initial Flow <u>16</u>	<input checked="" type="checkbox"/> Jars <u>250'</u>	T-Started <u>18:55</u>
(C) First Final Flow <u>43</u>	<input checked="" type="checkbox"/> Safety Joint <u>75</u>	T-Open <u>21:27</u>
(D) Initial Shut-In <u>662</u>	<input checked="" type="checkbox"/> Circ Sub <u>N/C</u>	T-Pulled <u>23:29</u>
(E) Second Initial Flow <u>45</u>	<input type="checkbox"/> Hourly Standby _____	T-Out <u>1:53</u>
(F) Second Final Flow <u>65</u>	<input checked="" type="checkbox"/> Mileage <u>86 RT 120.40</u>	Comments _____
(G) Final Shut-In <u>656</u>	<input type="checkbox"/> Sampler _____	_____
(H) Final Hydrostatic <u>1971</u>	<input type="checkbox"/> Straddle _____	<input type="checkbox"/> Ruined Shale Packer _____
Initial Open <u>30</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>30</u>	<input type="checkbox"/> Extra Recorder _____	Sub Total <u>0</u>
Final Shut-In <u>30</u>	<input type="checkbox"/> Day Standby _____	Total <u>11670.40</u>
	<input type="checkbox"/> Accessibility _____	MP/DST Disc't _____
	Sub Total <u>11670.40</u>	

Approved By Fred Smith Our Representative Chuck Smith

Trilobite Testing Inc. shall not be liable for damaged of any kind of the property or personnel of the one for whom a test is made, or for any loss suffered or sustained, directly or indirectly, through the use of its equipment, or its statements or opinion concerning the results of any test. Tools lost or damaged in the hole shall be paid for at cost by the party for whom the test is made.



TRILOBITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

RECEIVED
MAR 10 2012

Test Ticket

NO. 45087

4/10

BY: _____

Well Name & No. Atwell TJS #1 Test No. 2 Date 3-7-12
 Company Palomino Petroleum, Inc. Elevation 2593 KB 2583 GL
 Address 4924 SE 84th St. Newton, KS 67114
 Co. Rep / Geo. Pat Balzalaer Rig Pickrell #1/8
 Location: Sec. 26 Twp. 17S Rge. 27W Co. Lane State KS

Interval Tested 4156 - 4260 Zone Tested LKC "K-L-Pleasanton"
 Anchor Length 104 Drill Pipe Run 40.37 Mud Wt. 9.3
 Top Packer Depth 4152 Drill Collars Run 124 Vis 48
 Bottom Packer Depth 4156 Wt. Pipe Run 0 WL 7.2
 Total Depth 4260 Chlorides 4100 ppm System LCM 1
 Blow Description 3/4" Blow.
No return.
No blow.
No return.

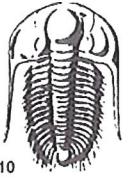
Rec	Feet of	%gas	%oil	%water	%mud
Rec	Feet of	%gas	%oil	%water	%mud
Rec	<u>30</u> Feet of <u>OSM</u>	%gas	%oil	%water	<u>100</u> %mud
Rec	Feet of	%gas	%oil	%water	%mud
Rec	Feet of	%gas	%oil	%water	%mud

Rec Total 30 BHT 111 Gravity — API RW — @ — °F Chlorides — ppm

(A) Initial Hydrostatic 2028 Test 1225' T-On Location 14:30
 (B) First Initial Flow 19 Jars 250' T-Started 15:10
 (C) First Final Flow 26 Safety Joint 75' T-Open 17:26
 (D) Initial Shut-In 508 Circ Sub N/C T-Pulled 19:19
 (E) Second Initial Flow 27 Hourly Standby _____ T-Out 21:31
 (F) Second Final Flow 32 Mileage 84RT 120.40 Comments _____
 (G) Final Shut-In 498 Sampler _____
 (H) Final Hydrostatic 1989 Straddle _____ Ruined Shale Packer _____
 Shale Packer _____ Ruined Packer _____
 Extra Packer _____ Extra Copies _____
 Initial Open 30 Extra Recorder _____ Sub Total 0
 Initial Shut-In 30 Day Standby _____ Total 16:10:16
 Final Flow 30 Accessibility _____ MP/DST Disc't _____
 Final Shut-In 30 Sub Total 16:10.40

Approved By Pat Balzalaer Our Representative Chuck Smith

Trilobite Testing Inc. shall not be liable for damaged of any kind of the property or personnel of the one for whom a test is made, or for any loss suffered or sustained, directly or indirectly, through the use of its equipment, or its statements or opinion concerning the results of any test. Tools lost or damaged in the hole shall be paid for at cost by the party for whom the test is made.



TRILOBITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

RECEIVED
MAR 10 2012
BY: _____

Test Ticket

NO. 45088

Well Name & No. Arwell TJS #1 Test No. 3 Date 3-8-12
 Company Palomino Petroleum, Inc. Elevation 2593 KB 2583 GL
 Address 4924 SE 84th St. Newton, KS 67114
 Co. Rep / Geo. Pat Balzalaer Rig Pickrell #1
 Location: Sec. 26 Twp. 17s Rge. 27w Co. Lane State KS

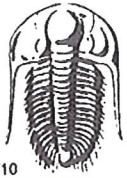
Interval Tested 4194-4354 Zone Tested Marmaton
 Anchor Length 160 Drill Pipe Run 4071 Mud Wt. 9.1
 Top Packer Depth 4190 Drill Collars Run 124 Vis 51
 Bottom Packer Depth 4194 Wt. Pipe Run 0 WL 7.2
 Total Depth 4354 Chlorides 4100 ppm System LCM Trace
 Blow Description 3/4" Blow.
No return.
No blow.
No return.

Rec	Feet of	%gas	%oil	%water	%mud
Rec <u>30</u>	Feet of <u>M</u>				<u>100</u>
Rec	Feet of	%gas	%oil	%water	%mud
Rec	Feet of	%gas	%oil	%water	%mud

Rec Total 30 BHT 111 Gravity - API RW @ - °F Chlorides - ppm

(A) Initial Hydrostatic <u>2071</u>	<input checked="" type="checkbox"/> Test <u>1225'</u>	T-On Location <u>11:30</u>
(B) First Initial Flow <u>21</u>	<input checked="" type="checkbox"/> Jars <u>250</u>	T-Started <u>11:37</u>
(C) First Final Flow <u>28</u>	<input checked="" type="checkbox"/> Safety Joint <u>75</u>	T-Open <u>13:52</u>
(D) Initial Shut-In <u>401</u>	<input checked="" type="checkbox"/> Circ Sub <u>N/C</u>	T-Pulled <u>15:09</u>
(E) Second Initial Flow <u>28</u>	<input type="checkbox"/> Hourly Standby	T-Out <u>17:38</u>
(F) Second Final Flow <u>31</u>	<input checked="" type="checkbox"/> Mileage <u>84RT 12040</u>	Comments _____
(G) Final Shut-In <u>403</u>	<input type="checkbox"/> Sampler	
(H) Final Hydrostatic <u>2068</u>	<input type="checkbox"/> Straddle	<input type="checkbox"/> Ruined Shale Packer
	<input type="checkbox"/> Shale Packer	<input type="checkbox"/> Ruined Packer
Initial Open <u>30</u>	<input type="checkbox"/> Extra Packer	<input type="checkbox"/> Extra Copies
Initial Shut-In <u>15</u>	<input type="checkbox"/> Extra Recorder	Sub Total <u>0</u>
Final Flow <u>15</u>	<input type="checkbox"/> Day Standby	Total <u>11670:40</u>
Final Shut-In <u>15</u>	<input type="checkbox"/> Accessibility	MP/DST Disc't _____
	Sub Total <u>11670:40</u>	

Approved By Pat Balzalaer Our Representative Chuck Smith
 Trilobite Testing Inc. shall not be liable for damaged of any kind of the property or personnel of the one for whom a test is made, or for any loss suffered or sustained, directly or indirectly, through the use of its



TRILOBITE TESTING INC.

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RECEIVED
MAR 12 2012

Test Ticket

NO. 45089

4/10

BY: _____

Well Name & No. Atwell T.J #1 Test No. 4 Date 3-9-12
 Company Palomino Petroleum, Inc. Elevation 2593 KB 2583 GL
 Address 4924 SE 84th St. Newton, KS 67114
 Co. Rep / Geo. Pat Balthazor Rig Pickrell #1
 Location: Sec. 26 Twp. 17s Rge. 27w Co. Lane State Ks

Interval Tested 3890-3924 Zone Tested LKC 'A'
 Anchor Length 34 Drill Pipe Run 3754 Mud Wt. 9.4
 Top Packer Depth 3896 Drill Collars Run 124 Vis 50
 Bottom Packer Depth 3924 Wt. Pipe Run 0 WL 8.0
 Total Depth 4545 Chlorides 5500 ppm System LCM Trace
 Blow Description 1 3/4" Blow
No return.
Surface blow.
No return.

Rec	Feet of	%gas	%oil	%water	%mud
Rec <u>20</u>	Feet of <u>M Oil spots in tool.</u>				<u>100</u>
Rec _____	Feet of _____				
Rec _____	Feet of _____				
Rec _____	Feet of _____				

Rec Total 20 BHT 111 Gravity - API RW @ _____ °F Chlorides _____ ppm

(A) Initial Hydrostatic 1973 Test 1225' T-On Location 28:00
 (B) First Initial Flow 27 Jars 250' T-Started 1:14
 (C) First Final Flow 34 Safety Joint 75' T-Open 4:33
 (D) Initial Shut-In 1031 Circ Sub N/C T-Pulled 6:37
 (E) Second Initial Flow 35 Hourly Standby _____ T-Out 9:19
 (F) Second Final Flow 39 Mileage 860mi 120.40 Comments _____
 (G) Final Shut-In 960 Sampler _____
 (H) Final Hydrostatic 1933 Straddle 600' Ruined Shale Packer _____
 Shale Packer _____ Ruined Packer _____
 Extra Packer _____ Extra Copies _____
 Extra Recorder _____ Sub Total 14170
 Day Standby 4 hrs. 1 day Total 2412.10
 Accessibility _____ MP/DST Disc't _____
 Sub Total 2270.40

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

Approved By Pat Balthazor Our Representative Chuck Smith
 Trilobite Testing Inc. shall not be liable for damaged of any kind of the property or personnel of the one for whom a test is made, or for any loss suffered or sustained, directly or indirectly, through the use of its statements or opinion concerning the results of any test. Tools lost or damaged in the hole shall be paid for at cost by the party for whom the test is made.