



WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: (_____) _____

CONTRACTOR: License # _____

Name: _____

Wellsite Geologist: _____

Purchaser: _____

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 #: _____

Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - _____

Spot Description: _____

_____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ East West

_____ Feet from North / South Line of Section

_____ Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE NW SE SW

County: _____

Lease Name: _____ Well #: _____

Field Name: _____

Producing Formation: _____

Elevation: Ground: _____ Kelly Bushing: _____

Total Depth: _____ Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: _____ 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: _____ ppm Fluid volume: _____ bbls

Dewatering method used: _____

Location of fluid disposal if hauled offsite: _____

Operator Name: _____

Lease Name: _____ License #: _____

Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West

County: _____ Permit #: _____

AFFIDAVIT

I am the affiant and I hereby certify that all requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Submitted Electronically

KCC Office Use ONLY

- Letter of Confidentiality Received
Date: _____
- Confidential Release Date: _____
- Wireline Log Received
- Geologist Report Received
- UIC Distribution
- ALT I II III Approved by: _____ Date: _____



1088864

Operator Name: _____ Lease Name: _____ Well #: _____

Sec. _____ Twp. _____ S. R. _____ East West County: _____

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 type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Run <input type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Submitted Electronically <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum
---	---

CASING RECORD <input 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

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
_____ Perforate _____ Protect Casing _____ Plug Back TD _____ Plug Off Zone				

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

TUBING RECORD: Size: _____ Set At: _____ Packer At: _____ Liner Run: Yes No

Date of First, Resumed Production, SWD or ENHR. _____ Producing Method: Flowing Pumping Gas Lift Other *(Explain)* _____

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
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DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <input type="checkbox"/> Other <i>(Specify)</i> _____ <input type="checkbox"/> Other <i>(Specify)</i> _____	PRODUCTION INTERVAL: _____ _____
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Form	ACO1 - Well Completion
Operator	Palomino Petroleum, Inc.
Well Name	K & J 1
Doc ID	1088864

Tops

Name	Top	Datum
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: Palomino Petroleum
 ADDRESS: _____
 CITY, STATE, ZIP CODE: _____

TICKET
 No. **23670**

PAGE 1 OF 1

SERVICE LOCATIONS: Neuilly KS WELL/PROJECT NO. #1 LEASE R19 COUNTY/PARISH Neo STATE KS CITY Neosho DATE 21 May 12 OWNER _____

TICKET TYPE: SERVICE SALES CONTRACTOR _____ RIG NAME/NO. _____ SHIPPED BY DELIVERED TO location ORDER NO. _____

WELL TYPE DSEW 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.		UNIT		AMOUNT	
		LOC	ACCT	DF		QTY.	U/M	QTY.	U/M		
575		1			MILEAGE <u>HELLY</u>	5	mi			600	3000
576D		1			Pump charge	1	ea			1250	125000
330		1			SWD cement	130	sk			1650	214500
276		1			Flare	25	lb			200	5000
290		1			D-air	291	ea			3500	7000
104		1			Pot collar head restle	1	ea			25000	25000
581		1			Service charge	175	sk			200	35000
582		1			Dayage (min)	1	ea			25000	25000

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.

SWIFT OPERATOR _____ APPROVAL _____

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

SURVEY

OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN? YES NO

WE UNDERSTOOD AND MET YOUR NEEDS? YES NO

OUR SERVICE WAS PERFORMED WITHOUT DELAY? YES NO

WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY? YES NO

ARE YOU SATISFIED WITH OUR SERVICE? YES NO

CUSTOMER DID NOT WISH TO RESPOND

PAGE TOTAL 4395.00

TOTAL 4553.40

Thank You.

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

JOB LOG

SWIFT Services, Inc.

DATE 5 May 12 PAGE NO.

CUSTOMER Palauino Petroleum

WELL NO. #1

LEASE K&D

JOB TYPE Cement port 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' SMD w/ 1/4" # Florida 2 3/8 x 5 1/2 port collar - 1475'
	1345							on loc TRK 114
	1400		1			1000	1000	test to 1000 psi - hold
	1405							open port 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 wired 15 to pit }
	1440							close port collar Run 4 joints
	1458		20					Reverse hole clean 2 cement flags
								clean up truck
								Rack up
								job complete
								Fluck
								1 case, 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-1				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



Services, Inc.

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

TICKET
 No. **22656**

PAGE 1 OF 2

1. SERVICE LOCATIONS Ness City, KS	WELL/PROJECT NO.	LEASE	COUNTY/PARISH	STATE	CITY	DATE	OWNER
2. WESS #1	WESS	WESS #1	Ness	KS	Ness City, KS	10 May 12	
3. TICKET TYPE <input type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR	RIG NAME/NO.	SHIPPED VIA	DELIVERED TO	ORDER NO.	WELL LOCATION	
WESS DRILLING RIG # 12	WESS DRILLING RIG # 12	Ness		Ness City, KS		10 May 12	
4. REFERRAL LOCATION	WELL TYPE	WELL CATEGORY	JOB PURPOSE	WELL PERMIT NO.	WELL INSTRUCTIONS		
	DIL	DEVELOPMENT	SEALING STRING		1/2 in. STAIN		

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.	UM	QTY.	UM	UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
275					MILEAGE	10	MIL			60	600
578					PUMP CHARGE	1	CHG	4359	FT.	1500	1500
402					CENTRALIZERS	1	EA			70	70
403					CEMENT BASKETS	3	EA			250	750
404					PORT CYLAR	1	EA	1474	FT.	2400	2400
406					ATCH DOWN TRUCK & BARELL	1	EA			250	250
407					INSERT FIDAT SHOE w/AUTIFIL	1	EA			350	350
409					TURBOLIZER	9	EA			90	810
281					MUD FLUSH	500	BAR			1.25	625
221					LIQUID KCL	2	BAR			250	500

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

PAGE TOTAL	1	60865	50
TOTAL	2	4701	50
Subtotal		11506	50
Tax		586	31
TOTAL		12152	81

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

JOB LOG

SWIFT Services, Inc.

DATE MAY 12 PAGE NO.

CUSTOMER VALCOM/NO PETROLEUM WELL NO. LEASE K&J #1 JOB TYPE S&L LONGSTRING TICKET NO. 22656

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. 31.40 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		

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

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

ALLIED OIL & GAS SERVICES, LLC 053603

Federal Tax I.D.# 20-5975804

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>19S</u>	RANGE <u>24W</u>	CALLED OUT	ON LOCATION	JOB START <u>11:00 pm</u>	JOB FINISH <u>11:30</u>
LEASE <u>K95</u>	WELL # <u>1</u>	LOCATION <u>Ness City, KS west side</u>			COUNTY <u>NESS</u>	STATE <u>Kansas</u>	
OLD OR <u>NEW</u> (Circle one)			<u>off road S.M.A.T</u>				

CONTRACTOR <u>W/L Drilling Rig 12</u>		OWNER
TYPE OF JOB <u>Gurgle</u>		
HOLE SIZE <u>12 1/4</u>	T.D.	CEMENT
CASING SIZE <u>6 7/8</u>	DEPTH <u>224.14</u>	AMOUNT ORDERED <u>150 sks Class A 37 cc</u>
TUBING SIZE	DEPTH	<u>24 gal</u>
DRILL PIPE <u>4 1/2</u>	DEPTH	
TOOL	DEPTH	
PRES. MAX	MINIMUM	COMMON <u>150</u> @ <u>16.25</u> <u>2,437.⁵⁰</u>
MEAS. LINE	SHOE JOINT	POZMIX @
CEMENT LEFT IN CSG. <u>15 FT</u>		GEL <u>3</u> @ <u>21.25</u> <u>63.75</u>
PERFS.		CHLORIDE <u>5</u> @ <u>58.20</u> <u>291.00</u>
DISPLACEMENT <u>13.32 bbls Freshwater</u>		ASC @
EQUIPMENT		
PUMP TRUCK CEMENTER <u>Dustin C</u>		HANDLING <u>162.9</u> @ <u>2.10</u> <u>342.09</u>
# <u>398</u> HELPER <u>Kevia E</u>		MILEAGE <u>7.4 x 2 x .</u> <u>2.35</u> <u>34.78.⁰⁰</u>
BULK TRUCK		
# <u>376</u> DRIVER <u>Joel M</u>		
BULK TRUCK		
#		
		TOTAL <u>3,169.¹²</u>

REMARKS:

Pipe on bottom break circulation with plug cement
150 sks class A 37cc 24 gal
Displace 13.32 bbls Freshwater &
46 gal in
Cement did circulation
plug down 11:30 pm
plug down

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>Lum 2</u>	@ <u>4.00</u>	<u>8.00</u>
	@	

TOTAL 1147.⁰⁰

CHARGE TO: Plyoming Petroleum

STREET _____

CITY _____ STATE _____ ZIP _____

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.

SALES TAX (If Any) _____

TOTAL CHARGES 4,316.¹²

DISCOUNT 20% 863.²²

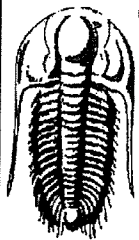
IF PAID IN 30 DAYS

3,452.⁹⁰

PRINTED NAME X MARY H. Helms

SIGNATURE X Mary H. Helms

Thank You!



TRILOBITE TESTING, INC.

DRILL STEM TEST REPORT

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

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)**

Reference Elevations: 2242.00 ft (KB)

Total Depth: 4197.00 ft (KB) (TVD)

2234.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Fair

KB to GR/CF: 8.00 ft

Serial #: 8372

Outside

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

Capacity: 8000.00 psig

Start Date: 2012.05.08 End Date: 2012.05.08

Last Calib.: 2012.05.08

Start Time: 10:11:05 End Time: 16:24:20

Time On Btm: 2012.05.08 @ 12:28:30

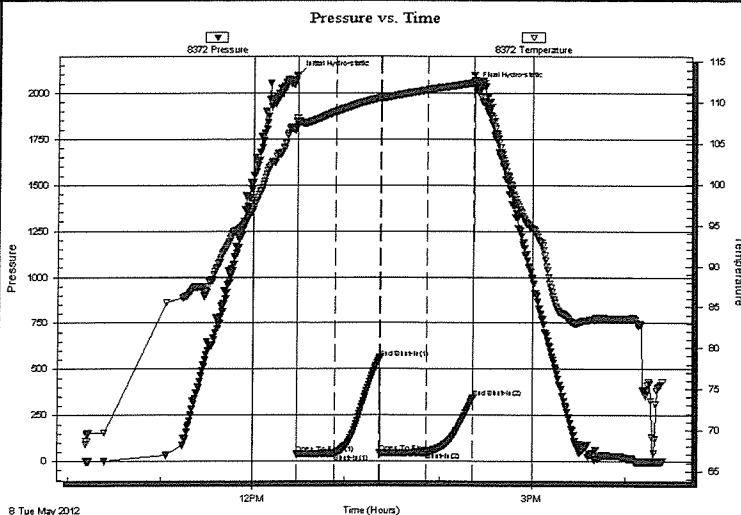
Time Off Btm: 2012.05.08 @ 14:21:50

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

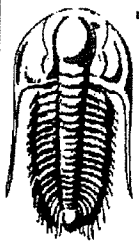
Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2098.19	108.03	Initial Hydro-static
1	39.23	107.22	Open To Flow (1)
25	41.81	108.83	Shut-In(1)
54	558.77	110.60	End Shut-In(1)
54	42.50	110.28	Open To Flow (2)
84	47.43	111.53	Shut-In(2)
114	346.10	112.44	End Shut-In(2)
114	2036.63	113.36	Final Hydro-static

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

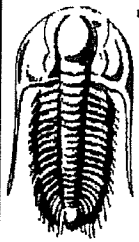
Drill Pipe:	Length: 4008.00 ft	Diameter: 3.80 inches	Volume: 56.22 bbl	Tool Weight: 2500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: 0.00 inches	Volume: 0.00 bbl	Weight set on Packer: 25000.00 lb
Drill Collar:	Length: 124.00 ft	Diameter: 2.25 inches	Volume: 0.61 bbl	Weight to Pull Loose: 52000.00 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 Seib

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: bbl		
Water Loss: 7.98 in ³	Gas Cushion Type:		
Resistivity: ohm.m	Gas Cushion Pressure: psig		
Salinity: 5400.00 ppm			
Filter Cake: inches			

Recovery Information

Recovery Table

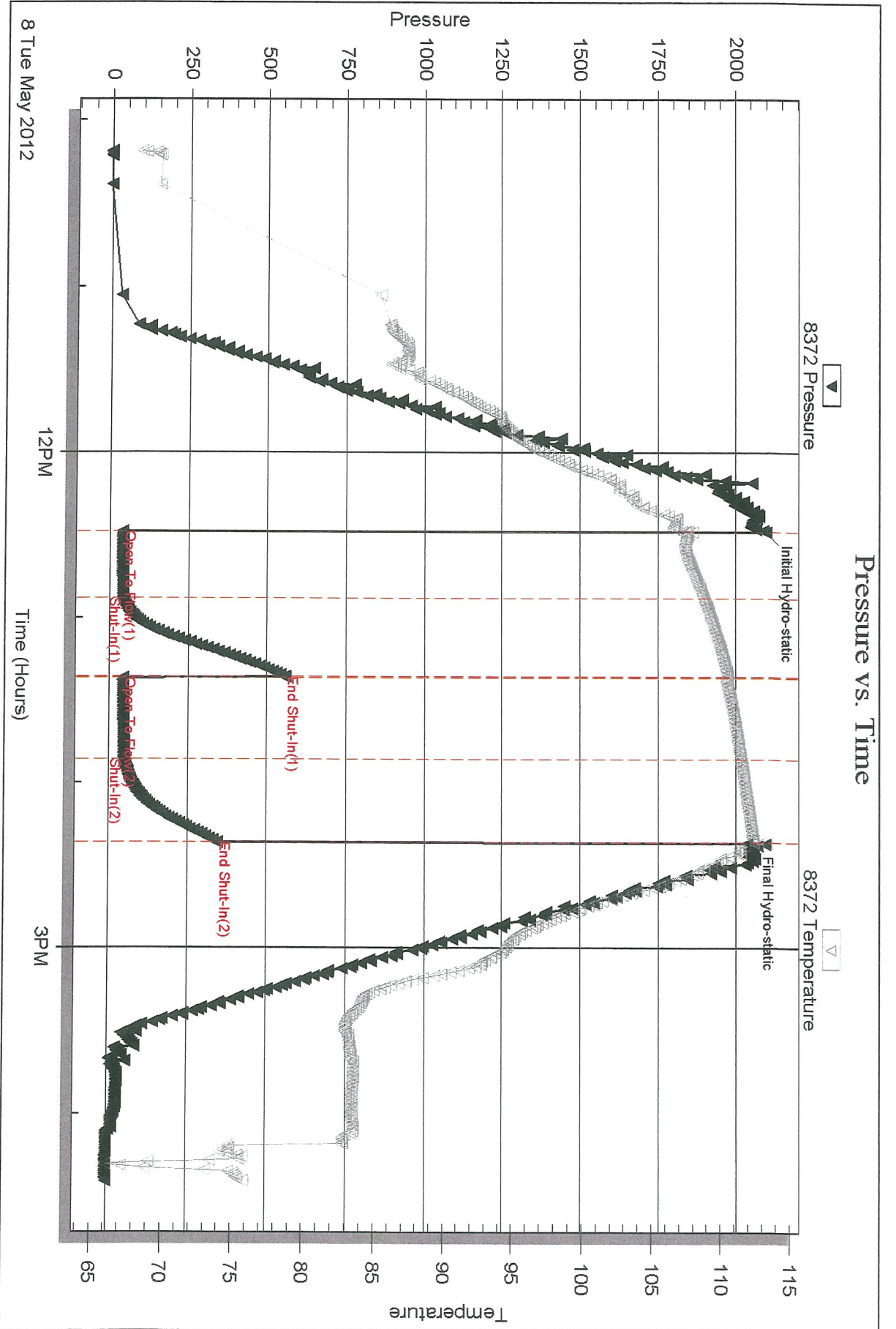
Length ft	Description	Volume bbl
10.00	Mud, 100%M, Oil scum	0.049

Total Length: 10.00 ft Total Volume: 0.049 bbl

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

Laboratory Name: Laboratory Location:

Recovery Comments:



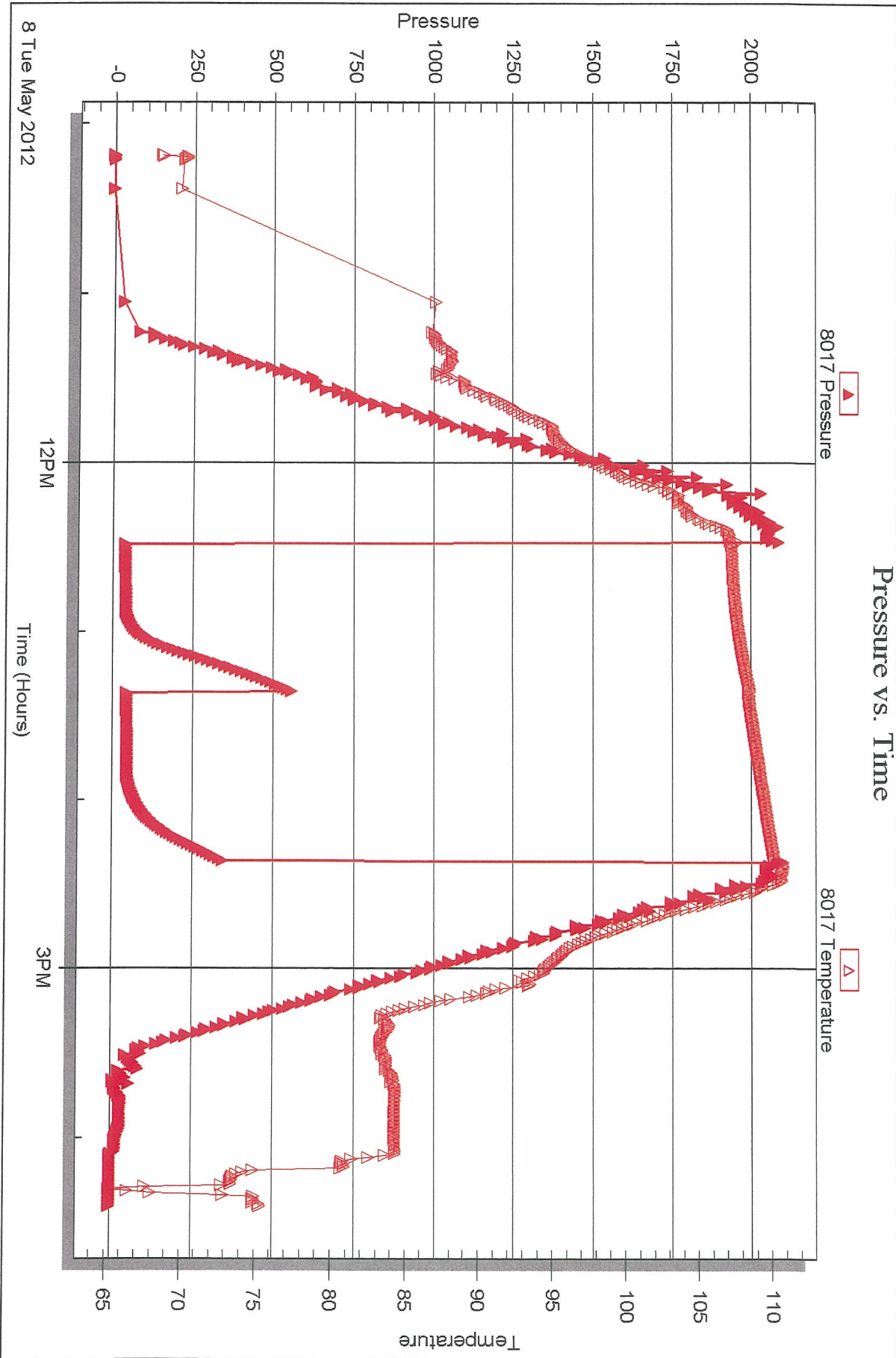
Serial #: 8017

Inside

Palomino Petroleum Inc

K&J #1

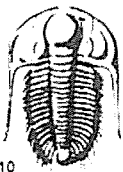
DST Test Number: 1



Tribolite Testing, Inc

Ref. No: 46323

Printed: 2012.05.10 @ 09:48:10



TRILOBITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

Test Ticket

NO. 46323

4/10

Well Name & No.	K 8 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

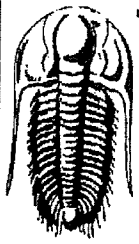
Interval Tested	4150 - 4197	Zone Tested	Ft. Scott
Anchor Length	47'	Drill Pipe Run	4008'
Top Packer Depth	4145	Drill Collars Run	124'
Bottom Packer Depth	4150	Wt. Pipe Run	—
Total Depth	4197	Chlorides	5,400 ppm System LCM —
Blow Description	IF - 1/4" blow, died in 19 Min. ISI - No blow back FF - No blow back FSI - No blow back		

Rec	Feet of	%gas	%oil	%water	%mud
10'	Mud - oil scum			100	

Rec Total	10'	BHT	112°	Gravity	—	API RW	—	@	—	F Chlorides	—	ppm
(A) Initial Hydrostatic	2098	<input checked="" type="checkbox"/> Test	1250	T-On Location	7:52 am							
(B) First Initial Flow	39	<input checked="" type="checkbox"/> Jars	250	T-Started	10:11 am							
(C) First Final Flow	41	<input checked="" type="checkbox"/> Safety Joint	75	T-Open	12:22 pm							
(D) Initial Shut-In	558	<input type="checkbox"/> Circ Sub		T-Pulled	2:20 pm							
(E) Second Initial Flow	42	<input type="checkbox"/> Hourly Standby		T-Out	4:24 pm							
(F) Second Final Flow	47	<input checked="" type="checkbox"/> Mileage	65 X 2	201.50	Comments: suppose to be out @ 8:15 am							
(G) Final Shut-In	346	<input type="checkbox"/> Sampler		<input type="checkbox"/> Ruined Shale Packer								
(H) Final Hydrostatic	2036	<input type="checkbox"/> Straddle		<input type="checkbox"/> Ruined Packer								
Initial Open	30	<input type="checkbox"/> Shale Packer		<input type="checkbox"/> Extra Copies								
Initial Shut-In	30	<input type="checkbox"/> Extra Packer		Sub Total	0							
Final Flow	30	<input type="checkbox"/> Extra Recorder		Total	1776.50							
Final Shut-In	30	<input type="checkbox"/> Day Standby		MP/DST Disc't								
		<input type="checkbox"/> Accessibility		Sub Total	1776.50							

Approved By _____ Our Representative Cody Bloodom

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.**

DRILL STEM TEST REPORT

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

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)**

Reference Elevations: 2242.00 ft (KB)

Total Depth: 4270.00 ft (KB) (TVD)

2234.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Fair

KB to GR/CF: 8.00 ft

Serial #: 8017

Inside

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

Capacity: 8000.00 psig

Start Date: 2012.05.09

End Date: 2012.05.09

Last Calib.: 2012.05.09

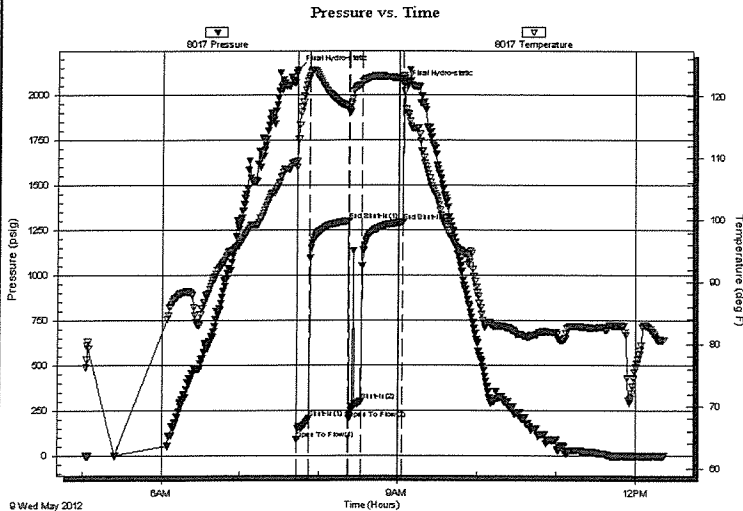
Start Time: 05:02:05

End Time: 12:21:29

Time On Btm:

Time Off Btm: 2012.05.09 @ 07:43:10

TEST COMMENT: 10 - IF- B.O.B. in 4 min.
30 - ISF- 4" blow back in 23 min. Died back to a 2" blow
10 - FF- B.O.B. in 3 min.
30 - FSF- 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

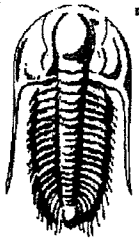
Recovery

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

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

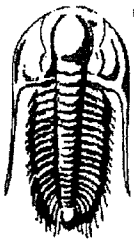
Drill Pipe:	Length: 4070.00 ft	Diameter: 3.80 inches	Volume: 57.09 bbl	Tool Weight: 2500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: 0.00 inches	Volume: 0.00 bbl	Weight set on Packer: 25000.00 lb
Drill Collar:	Length: 124.00 ft	Diameter: 2.25 inches	Volume: 0.61 bbl	Weight to Pull Loose: 56000.00 lb
			<u>Total Volume: 57.70 bbl</u>	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

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:

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
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 bbf

Num Fluid Samples: 0

Num Gas Bombs: 0

Serial #:

Laboratory Name:

Laboratory Location:

Recovery Comments: Gravity = 37 @ 80 Degrees = 39

Serial #: 8017

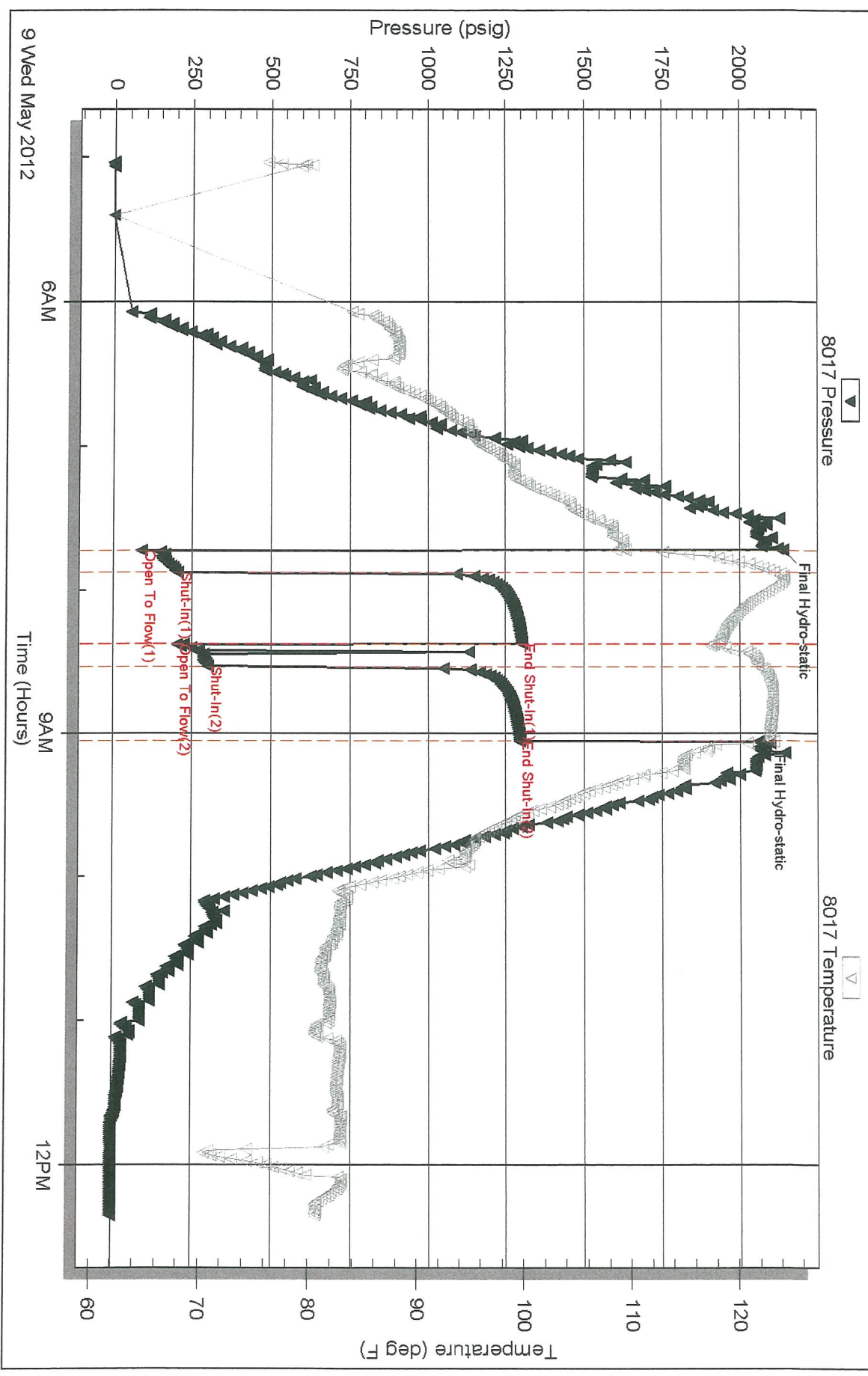
Inside

Palomino Petroleum Inc

K&J #1

DST Test Number: 2

Pressure vs. Time



Trilobite Testing, Inc

Ref. No: 46324

Printed: 2012.05.10 @ 09:47:33

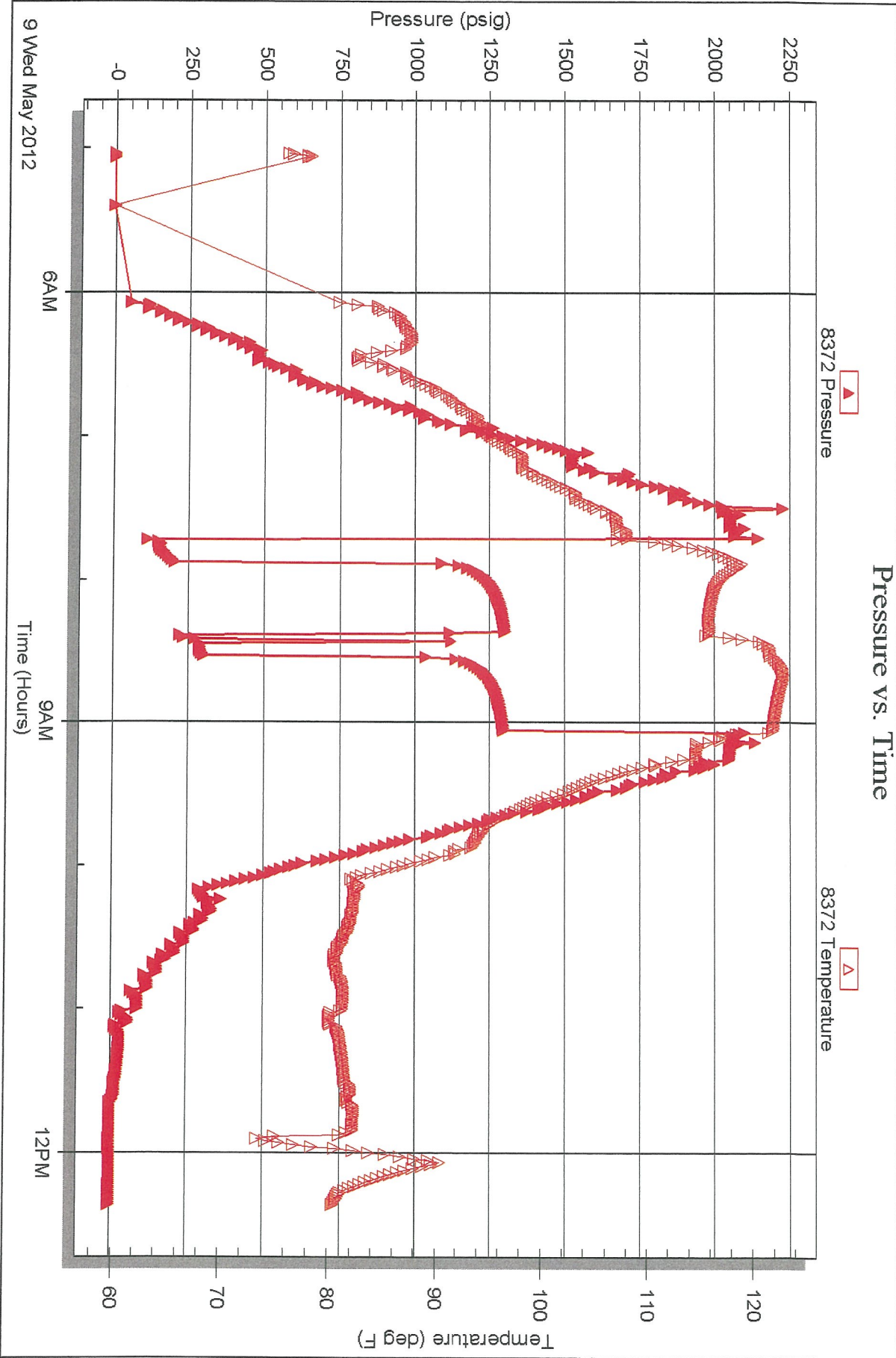
Serial #: 8372

Outside

Palomino Petroleum Inc

K&J #1

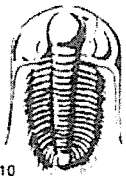
DST Test Number: 2



Trilobite Testing, Inc

Ref. No: 46324

Printed: 2012.05.10 @ 09:47:33



TRILOBITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

Test Ticket

NO. 46324

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

Interval Tested	4212-4270	Zone Tested	Cherokee Sand
Anchor Length	58'	Drill Pipe Run	4070
Top Packer Depth	4265	Drill Collars Run	124'
Bottom Packer Depth	4270	Wt. Pipe Run	—
Total Depth	4270	Chlorides	5,400 ppm System LCM —
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
62	6 MCO	10	80	10	10
124	60CM	20	20	60	60
310	650CM	10	10	80	80
124	6 MCO	10	80	10	10
Rec	Feet of	%gas	%oil	%water	%mud

Rec Total	620	BHT	122°	Gravity	39	API RW	— @ — °F	Chlorides	— ppm
(A) Initial Hydrostatic	2138	<input checked="" type="checkbox"/> Test	1250	T-On Location	2:35 am				
(B) First Initial Flow	89	<input checked="" type="checkbox"/> Jars	250	T-Started	5:02 am				
(C) First Final Flow	204	<input checked="" type="checkbox"/> Safety Joint	75	T-Open	7:43 am				
(D) Initial Shut-In	1301	<input type="checkbox"/> Circ Sub		T-Pulled	9:03 am				
(E) Second Initial Flow	203	<input type="checkbox"/> Hourly Standby		T-Out	12:22 pm				
(F) Second Final Flow	300	<input checked="" type="checkbox"/> Mileage	65 X 2 201.50	Comments					
(G) Final Shut-In	1293	<input type="checkbox"/> Sampler		<input type="checkbox"/> Ruined Shale Packer					
(H) Final Hydrostatic	2057	<input type="checkbox"/> Straddle		<input type="checkbox"/> Ruined Packer					
Initial Open	10	<input type="checkbox"/> Shale Packer		<input type="checkbox"/> Extra Copies					
Initial Shut-In	30	<input type="checkbox"/> Extra Packer		Sub Total	0				
Final Flow	10	<input type="checkbox"/> Extra Recorder		Total	1776.50				
Final Shut-In	30	<input type="checkbox"/> Day Standby		MP/DST Disc't					
		<input type="checkbox"/> Accessibility							
		Sub Total	1776.50						

Approved By _____ Our Representative Cody Bloodorn
 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