KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1072967

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 # 30717
Name: Downing-Nelson Oil Co Inc
Address 1: PO BOX 1019
Address 2:
City: HAYS State: KS Zip: 67601 + ____
Contact Person: Ron Nelson
Phone: (785) 621-2610
CONTRACTOR: License # 31548
Name: Discovery Drilling
Wellsite Geologist: Marc Downing
Purchaser: Coffeyville Resources

Designate Type of Completion:

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

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

Operator:
Well Name:
Original Comp. Date: ____ Original Total Depth: ____

- [ ] Deepening [ ] Re-perf. [ ] Conv. to ENHR [ ] Conv. to SWD
- [ ] Conv. to GSW
- [ ] Plug Back: ____ Plug Back Total Depth
- [ ] Commingled Permit #:
- [ ] Dual Completion Permit #:
- [ ] SWD Permit #:
- [ ] ENHR Permit #:
- [ ] GSW Permit #:

01/17/2012	01/23/2012	01/24/2012
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-065-23802-00-00
Spot Description:
NE - NE - SW - SW Sec. 23 Twp. 9 S. R. 24 [ ] East [x] West
1125 Feet from [ ] North / [x] South Line of Section
1035 Feet from [ ] East / [x] West Line of Section
Footages Calculated from Nearest Outside Section Corner:
[ ] NE [ ] NW [ ] SE [x] SW
County: Graham
Lease Name: Nickelson Farms 'B' Well #: 1-23
Field Name: Glen Dale South
Producing Formation: LKC
Elevation: Ground: 2493 Kelly Bushing: 2501
Total Depth: 4113 Plug Back Total Depth:
Amount of Surface Pipe Set and Cemented at: 221 Feet
Multiple Stage Cementing Collar Used? [x] Yes [ ] No
If yes, show depth set: 2120 Feet
If Alternate II completion, cement circulated from: 2120
feet depth to: 0 w/ 180 sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)

Chloride content: 14000 ppm Fluid volume: 320 bbls
Dewatering method used: Evaporated
Location of fluid disposal if hauled offsite:
Operator Name:
Lease Name: License #:
Quarter ____ Sec. ____ Twp. ____ S. R. ____ [ ] East [ ] West
County: ____ Permit #:

AFFIDAVIT

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

Submitted Electronically

KCC Office Use ONLY

- [ ] Letter of Confidentiality Received
  Date:
- [ ] Confidential Release Date:
- [x] Wireline Log Received
- [x] Geologist Report Received
- [ ] UIC Distribution

ALT [ ] I [x] II [ ] III Approved by: Deanna Garrison Date: 03/22/2012

Side Two

1072967

Operator Name: Downing-Nelson Oil Co Inc Lease Name: Nickelson Farms 'B' Well #: 1-23

Sec. 23 Twp. 9 S. R. 24 ☐ East ☑ West County: Graham

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach complete copy of all Electric Wire-line Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken (Attach Additional Sheets)	☑ Yes	☐ No
Samples Sent to Geological Survey	☐ Yes	☑ No
Cores Taken	☐ Yes	☑ No
Electric Log Run	☑ Yes	☐ No
Electric Log Submitted Electronically (If no, Submit Copy)	☑ Yes	☐ No

List All E. Logs Run:

Micro
Dual Induction
Compensated Density/Neutron

☑ Log Formation (Top), Depth and Datum ☐ Sample

Name	Top	Datum
Top Anhydrite	2140'	+361
Base Anhydrite	2175'	+326
Topeka	3590'	-1089
Heebner	3806'	-1305
Toronto	3832'	-1331
LKC	3846'	-1345
BKC	4070'	-1569

CASING RECORD ☑ New ☐ 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 Pipe	12.25	8.625	23	221	Common	150	2% Gel & 3% CC
Production String	7.875	5.5	14	4112.84	EA/2	150	

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 (Amount and Kind of Material Used)	Depth
4	3998' to 4002'	250 gallons 15% Mud Acid	3998' to 4002
		1500 gallons 15% NE Acid	3998' to 4002

TUBING RECORD: Size: 2.375 Set At: 4015.36 Packer At: Liner Run: ☐ Yes ☐ No

Date of First, Resumed Production, SWD or ENHR. 02/28/2012

Producing Method: ☐ Flowing ☑ Pumping ☐ Gas Lift ☐ Other (Explain)

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	3		40		

DISPOSITION OF GAS: ☐ Vented ☐ Sold ☐ Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION: ☐ Open Hole ☑ Perf. ☐ Dually Comp. (Submit ACO-5) ☐ Commingled (Submit ACO-4) ☐ Other (Specify)

PRODUCTION INTERVAL:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

ALLIED CEMENTING CO., LLC. 034545

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

SERVICE POINT: Russell KS.

DATE	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
1-17-2012	23	9	24			8:00 PM	8:30 PM

LEASE	WELL #	LOCATION	COUNTY	STATE
Nickelson Farms	B-123	Wakeeney N. Redline Rd. 5W/N 3/4 W 1/4 N into	Graham	Kansas

OLD OR NEW (Circle one)

CONTRACTOR Discovery Drlg Rig #1
TYPE OF JOB Cement / Surface
HOLE SIZE 12 1/4 T.D. 221
CASING SIZE 8 5/8 DEPTH 221
TUBING SIZE DEPTH
DRILL PIPE DEPTH
TOOL DEPTH
PRES. MAX MINIMUM
MEAS. LINE SHOE JOINT
CEMENT LEFT IN CSG. 15'
PERFS.
DISPLACEMENT 1 BBL

OWNER

EQUIPMENT

PUMP TRUCK # 417 CEMENTER Glenn
HELPER Woody
BULK TRUCK # 481 DRIVER Tony
BULK TRUCK # DRIVER

CEMENT

AMOUNT ORDERED 150 sx Comm
3% c.c.
2% Gel

COMMON	150sx	@ 16.25	2437.50
POZMIX		@	
GEL	3 sx	@ 21.25	63.75
CHLORIDE	5 sx	@ 58.20	291.00
ASC		@	
HANDLING	158	@ 2.25	355.50
MILEAGE	50 x 158 x 11		869.00
		TOTAL	4016.75

REMARKS:

Ran 5 JT's of New 20# 8 5/8 csg. Set @ 221 Rec'd Circulation & Cement w/ 150 sx Comm 3% c.c. 2% Gel, Displace 13 1/2 BBL H2O & Shut In @ 250#, Cement Circulated to Surface

Thank You

SERVICE

DEPTH OF JOB			
PUMP TRUCK CHARGE			1125.00
EXTRA FOOTAGE		@	
MILEAGE	50 Hvmc	@ 7.00	350.00
MANIFOLD		@	
	50 Ly mi	@ 4.00	200.00
		@	
		TOTAL	1675.00

CHARGE TO: Downing & Nelson Oil
STREET
CITY STATE ZIP

PLUG & FLOAT EQUIPMENT

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or

JOB LOG

SWIFT Services, Inc.

DATE 7-24-12 | PAGE NO. 1

CUSTOMER: Downing & Nelson | WELL NO.: 1-23 | LEASE: Nickelson Farms 'B' | JOB TYPE: Cmt Longstring | TICKET NO.: 21244

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS T	PUMPS C	PRESSURE (PSI) TUBING	PRESSURE (PSI) CASING	TD 4113' DESCRIPTION OF OPERATION AND MATERIALS
	0230					14#/ft	5½	On location w/ Float Equip.
								Rig changing over to run 5½ casing
	0300							Start 5½ - 14 #/ft casing to 4112'
								Insert Float Shoe w/ Auto-Fill
								D.V. L.D. Baffle - 5 J - 20½' @ 4092'
								Cent - 1-6-8-11-13-16-18-51
								Jts out 2-3-7-14 - Cent Bskt. #4 & 52
								D.V. #52 @ 2120'
								Drop Ball & Jts out
	0425							Tag Bottom - Circ casing
	0435							Start cir / Rig Up 1st Stage
		5	12				300	Fin cir - Pump 500 gal MF Flush
		6	20				300	Pump 20 BBL KCL Flush
		4½					300	Start 150 SKS EA-2
			36					Fin cmt - Wash out Pump & Lines
		9	60					Drop D.V. L.D. Plug - Start Displ.
		7	35				400/600	60 BBL - 25 Mud - 15 BBL KCL Flush
	0530	5½	15				800/1500	Plug Down - Drop Release/Hold Opening bomb
			8½			—		Plug RH/MH (30/15) SMD cmt
	0600							Open D.V. - clean out Tank - Fin Flush
								2nd Stage - Start 190 SKS SMD
								Fin cmt - Rack in pump
								Drop closing Plug
		4					200/300	Start Displ
	0645		52				600/1600	Plug Down - Hold - Release Hold
	0700							Job Complete
	0730							Wash up & Pack up
								(40 SKS SMD cir to Pit)

Thanks Ben, Brian & Shane

Marc Downing

Consulting Petroleum Geologist
1411 Washington Circle
Hays, Ks 67601
Phone: 620-428-1356 (cell) 785-621-2286

GEOLOGIC REPORT LOG

COMPANY Downing-Nelson Oil Co, Inc

WELL Nickelson Farms B #1-23

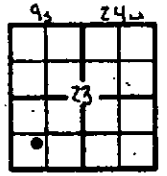
FIELD Glen Dale South

LOCATION 1125' FSL & 1035' FWL

SEC. 23 TWP. 9s RGE. 24w

COUNTY Graham

STATE Kansas



PRODUCTION LKC

ELEVATION KB 2501
DF
GL 2493

Drilling Measured From: KB

Samples Saved From 3300 To: TD
Drilling Time From 3450 To: TD
Samples Examined From: 3300 To: TD
Geological Supervision from 3450 To Total Depth
Wellsite Geologist Marc Downing
Electrical Surveys Superior
CNL/CDL
DIL
MEL

OPERATOR DNOC I
CONTRACTOR Discovery Drilling Rig #1
COMM: 1-17-12 COMP: 1-23-12

CASING RECORD

SURF: 8⅝" @ 221' PROD: 5½" @ 4117'
TOTAL DEPTH DRILLERS: 4113'
TOTAL DEPTH LOG 4113'

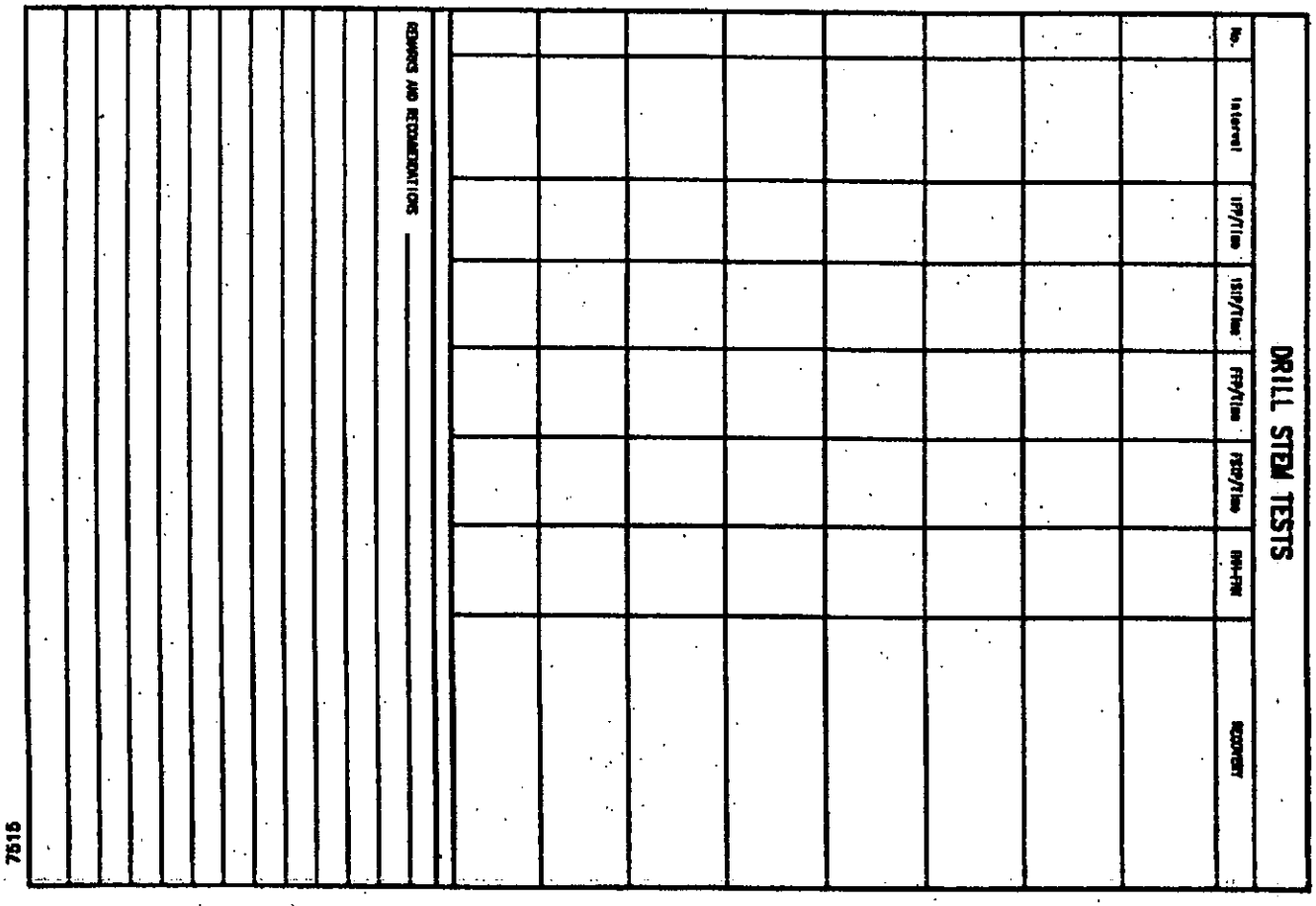
FORMATION TOPS AND STRUCTURAL POSITION

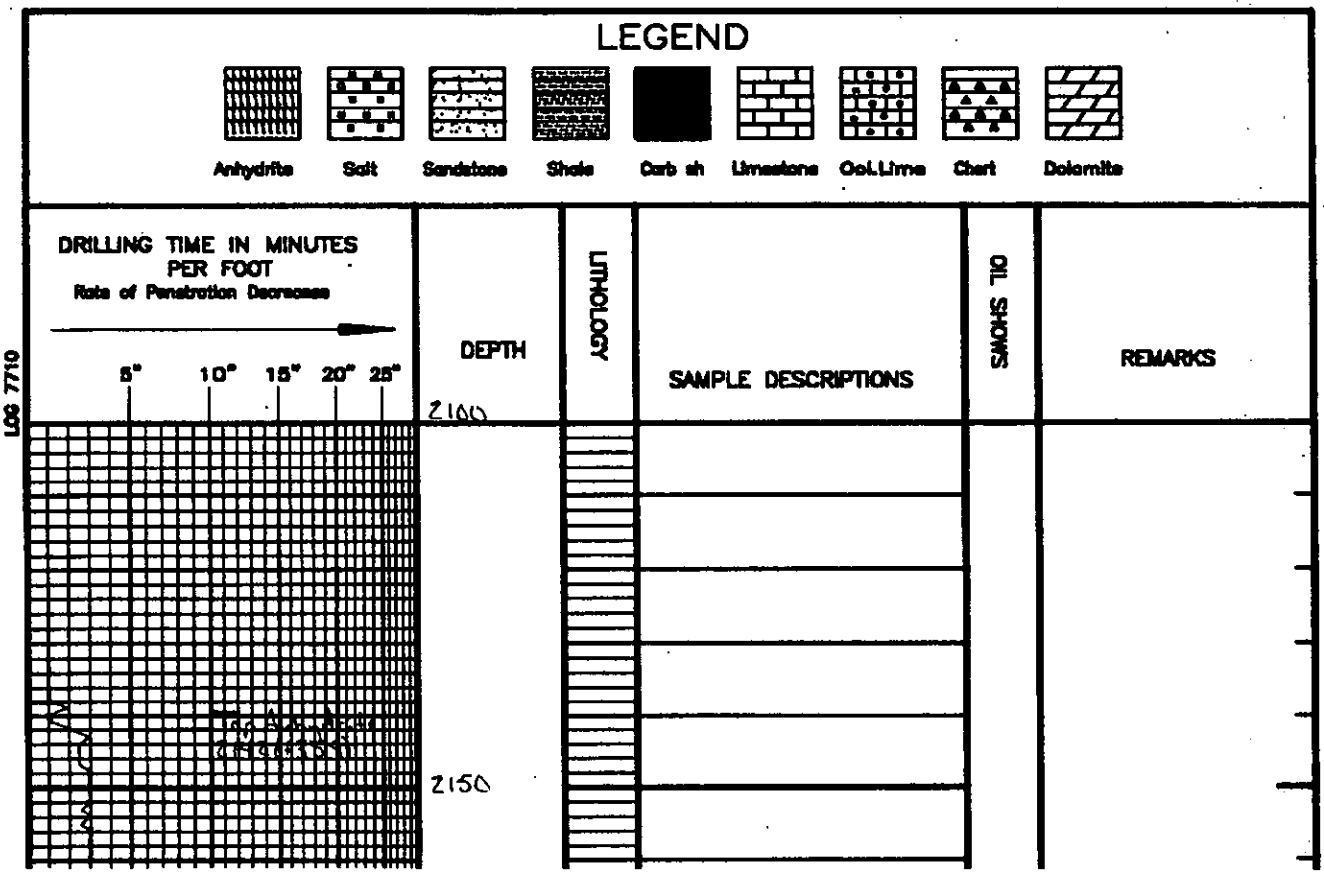
FORMATION	SAMPLE TOP	ELECTRIC LOG TOP	SUB-SEA DATUM	STRUCTURAL POSITION
Top Anhydrite	2142	2140	+361	-4
Base Anhydrite	2179	2175	+326	NA
Topeka	3590	3590	-1099	-6
Heebner	3906	3906	-1395	-6
Toronto	3933	3932	-1331	-7
LKC	3949	3946	-1345	-6
BKC	4071	4070	-1569	-7

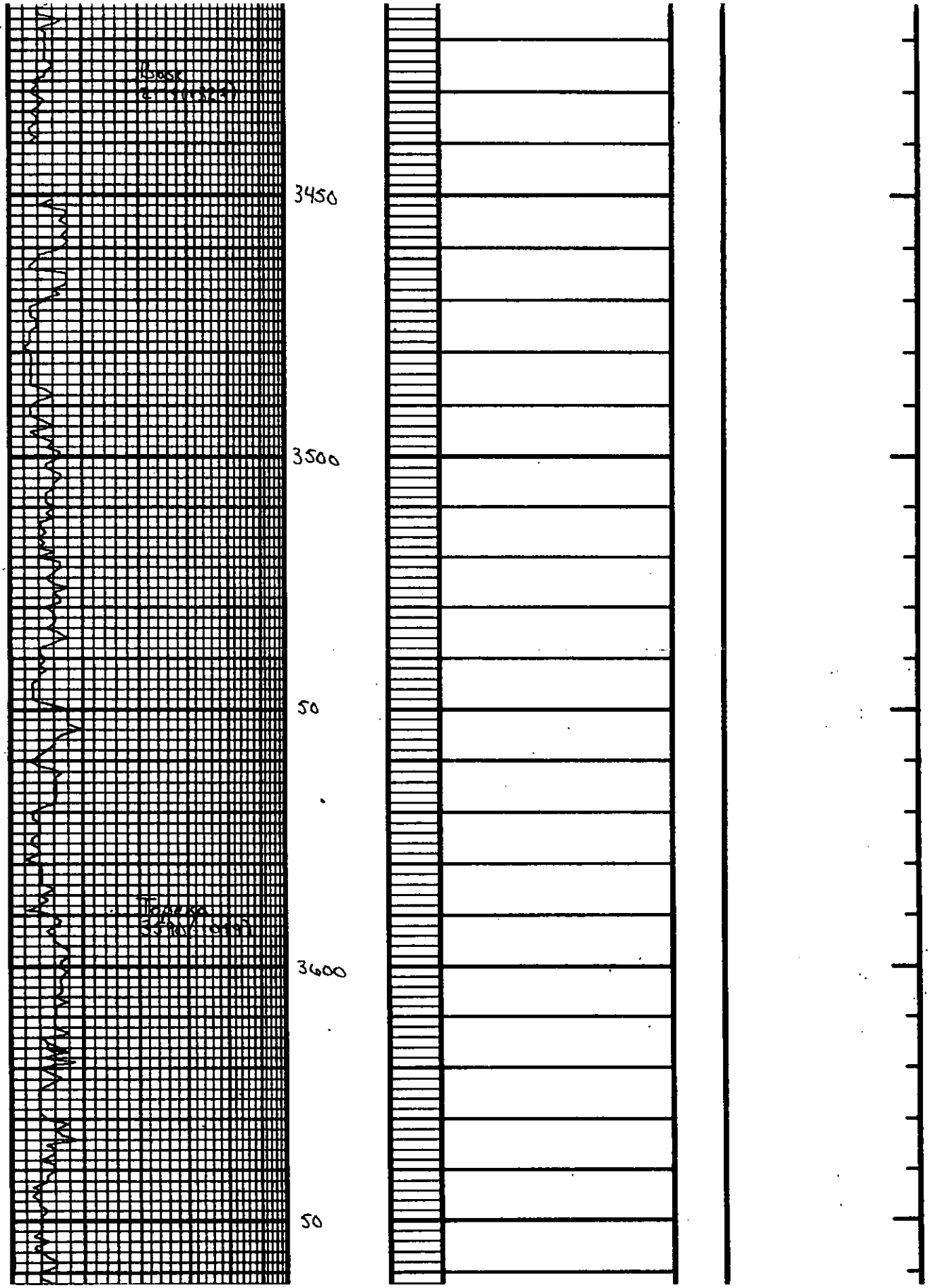
REFERENCE WELL FOR STRUCTURE Don E. Pratt
Nickelson 'A' #2 NW-SE-SW Sec. 23-9s-24w

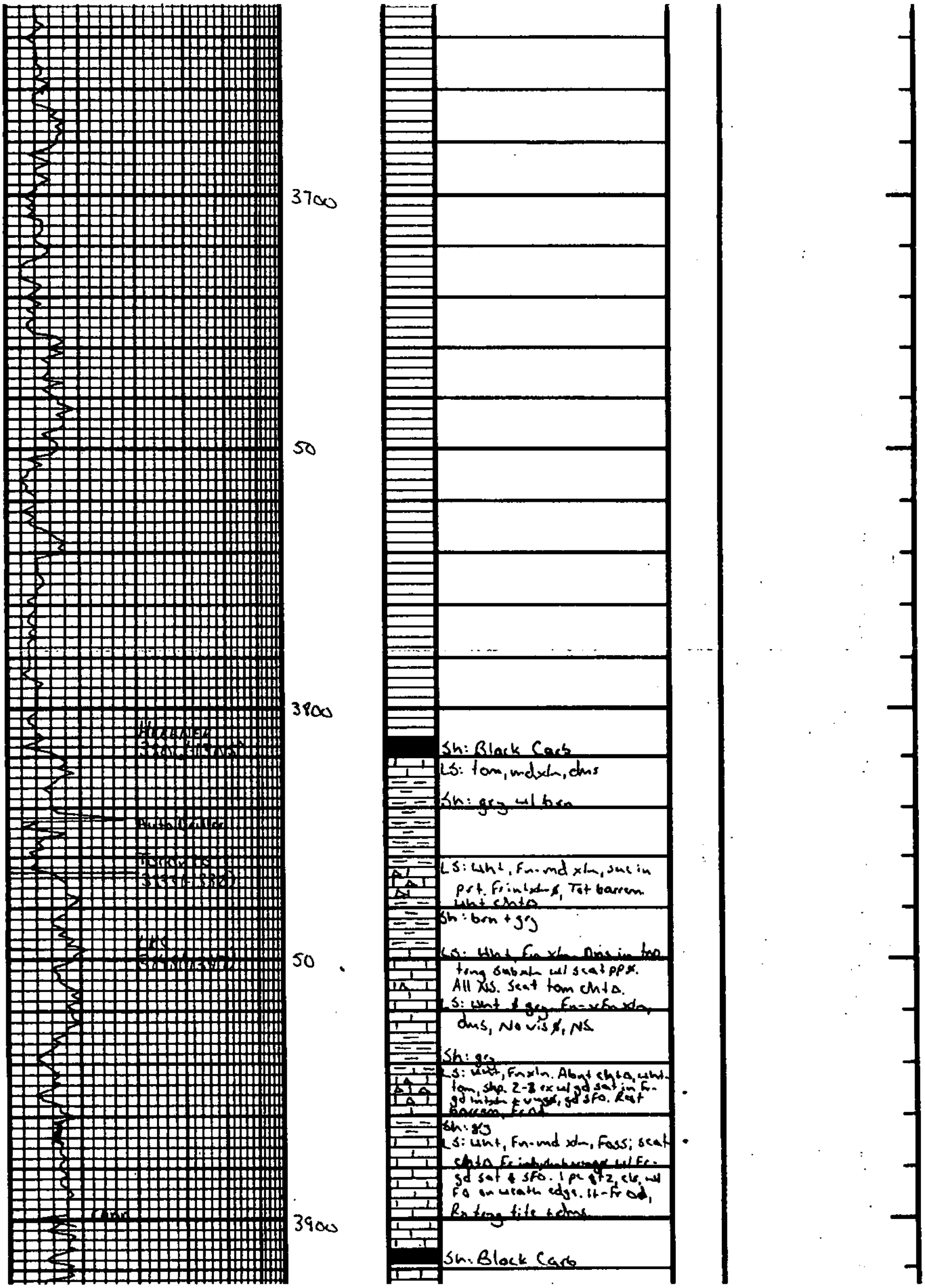
DAILY PENETRATION		BIT RECORD						
DATE	DEPTH	NO	SIZE	MAKE	TYPE	DEPTH OUT	FEET	HOURS

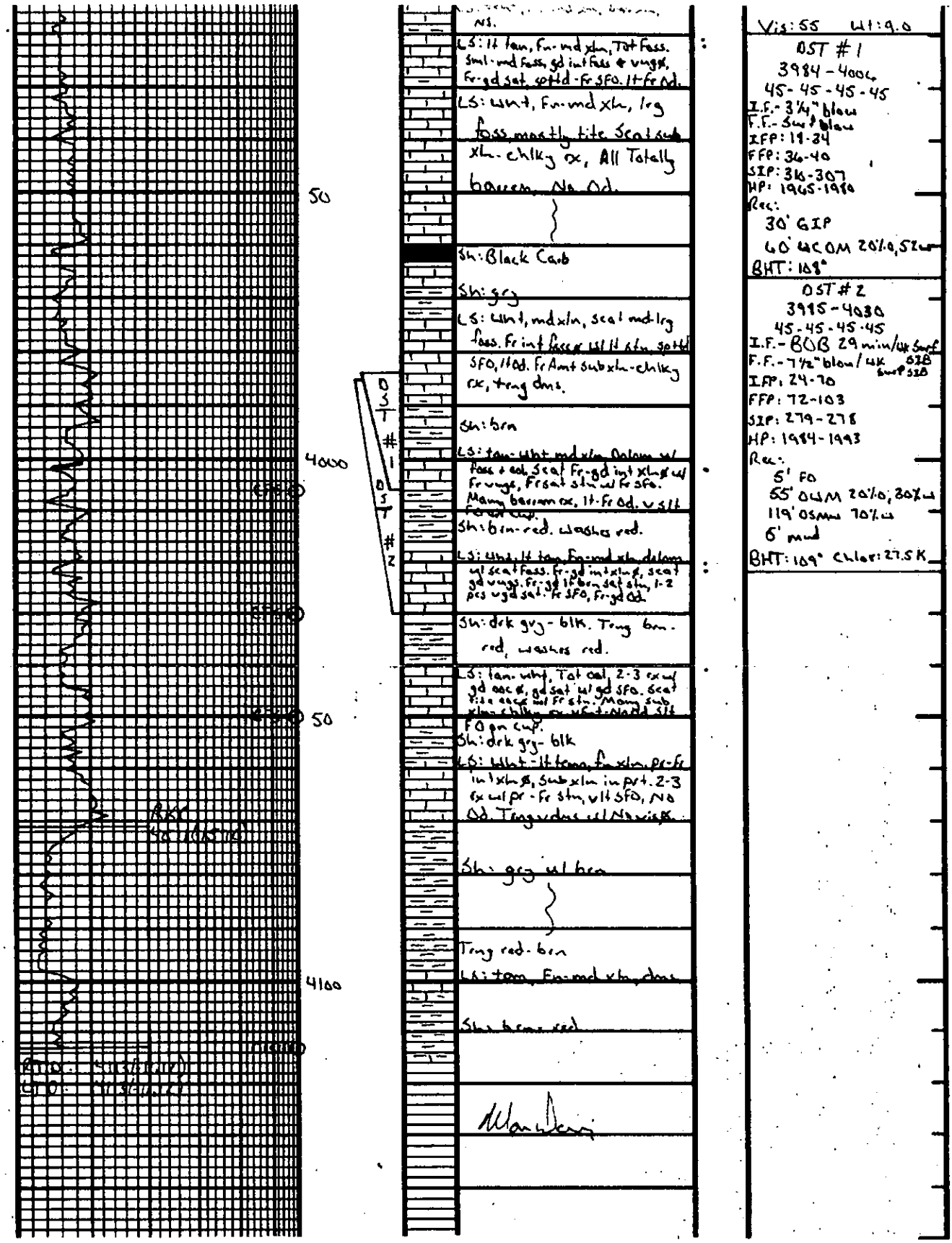
FORMATION	INTERVAL	DESCRIPTION OF SHOW	LOG ANALYSIS G	LOG ANALYSIS S W


DRILL STEM TESTS
No.
Interval
RECOVERY
REMARKS AND RECOMMENDATIONS
7515


LEGEND
Anhydrite
Salt
Sandstone
Shale
Carb sh
Limestone
Ool.Lime
Chert
Dolomite
DRILLING TIME IN MINUTES PER FOOT
Rate of Penetration Decreases
5"
10"
15"
20"
25"
DEPTH
2100
2150
LITHOLOGY
SAMPLE DESCRIPTIONS
OIL SHOWS
REMARKS
LOG 7710


3450
3500
50
3600
50

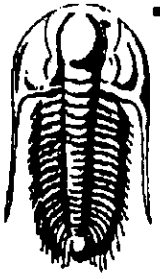

3700
50
3800
50
3900
Sh: Black Carb
LS: tan, mdxln, dns
Sh: gry w/ brn
LS: wht, Fn-md xln, suc in prt. Fr intxln Ø, Tst barren
Sh: brn + gry
All XLS. Scat tan chtΔ.
dns, No vis Ø, NS
Sh: gry
Sh: gry
LS: wht, Fn-md xln, Foss; scat
gd sat & SFO. 1 pc qtz, clr, w/ FO on weath edge. Lt-Fr od,
Sh: Black Carb



Vis: 55 Wt: 9.0

DST #1
3984 - 4004
45 - 45 - 45 - 45
I.F. - 3¼" blow
F.F. - Surf blow
IFP: 19-34
FFP: 36-40
SIP: 36-307
HP: 1965-1960
Rec:
30' GIP
60' GCOM 20% o, 5% w
BHT: 108°

DST #2
3995 - 4030
45 - 45 - 45 - 45
I.F. - BOB 29 min/ Surf
F.F. - 7½" blow / 4½ BOB Surf BOB
IFP: 29-70
FFP: 72-103
SIP: 279-278
HP: 1984-1993
Rec:
5' FO
55' OCM 20% o, 30% w
119' OSMW 70% w
6' mud
BHT: 109° Chlor: 27.5 K



TRILOBITE TESTING, INC.

DRILL STEM TEST REPORT

Prepared For: **Downing-Nelson Oil Co. Inc.**

PO Box 1019
Hays, KS 67601

ATTN: Marc Downing

23-9s-24w Graham,KS

Nickelson Farms 'B' #1-23

Start Date: 2012.01.22 @ 06:05:00
End Date: 2012.01.22 @ 13:01:30
Job Ticket #: 43089 DST #: 1

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

Printed: 2012.01.27 @ 11:33:46

DRILL STEM TEST REPORT

Downing-Nelson Oil Co. Inc.

PO Box 1019
Hays, KS 67601

ATTN: Marc Downing

Nickelson Farms 'B' #1-23

23-9s-24w Graham,KS

Job Ticket: 43089 **DST#: 1**

Test Start: 2012.01.22 @ 06:05:00

GENERAL INFORMATION:

Formation: **LKC "I"**
Deviated: No Whipstock: ft (KB)
Time Tool Opened: 08:20:00
Time Test Ended: 13:01:30

Test Type: Conventional Bottom Hole (Initial)
Tester: Kevin Mack
Unit No: 43

Interval: 3984.00 ft (KB) To 4006.00 ft (KB) (TVD)
Total Depth: 4006.00 ft (KB) (TVD)
Hole Diameter: 7.88 inches Hole Condition: Good

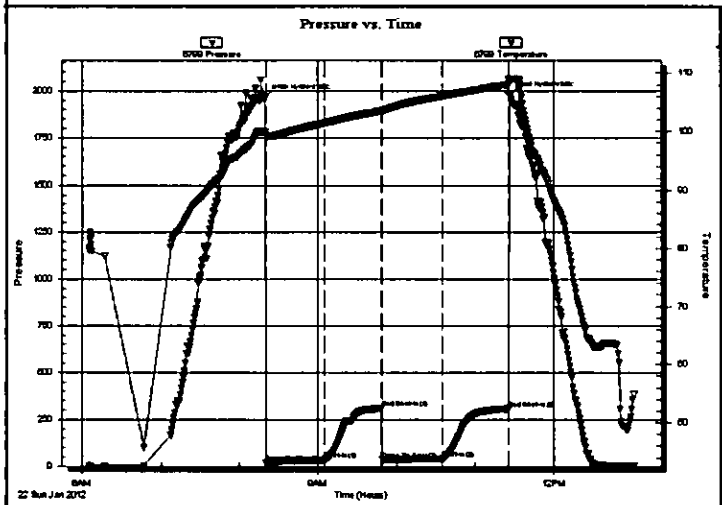
Reference Elevations: 2500.00 ft (KB)
2493.00 ft (CF)
KB to GR/CF: 7.00 ft

Serial #: 6799 **Inside**

Press@RunDepth: 40.76 psig @ 3985.00 ft (KB)
Start Date: 2012.01.22 End Date: 2012.01.22
Start Time: 06:05:05 End Time: 13:01:29

Capacity: 8000.00 psig
Last Calib.: 2012.01.22
Time On Btm: 2012.01.22 @ 08:19:30
Time Off Btm: 2012.01.22 @ 11:26:00

TEST COMMENT: IF- 1/4" Blow built to 3 1/4"
IS- No Return
FF- Surface blow started at 2 min. Did not build or die
FS- No Return



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1965.67	99.96	Initial Hydro-static
1	18.67	99.27	Open To Flow (1)
46	34.48	101.45	Shut-In(1)
90	310.60	103.56	End Shut-In(1)
90	36.96	103.54	Open To Flow (2)
136	40.76	106.09	Shut-In(2)
186	307.12	108.01	End Shut-In(2)
187	1980.48	108.90	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
60.00	OCWM 75M 20o 5W	0.57

Gas Rates

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

DRILL STEM TEST REPORT

Downing-Nelson Oil Co. Inc.

PO Box 1019
Hays, KS 67601

ATTN: Marc Downing

Nickelson Farms 'B' #1-23

23-9s-24w Graham,KS

Job Ticket: 43089 **DST#: 1**

Test Start: 2012.01.22 @ 06:05:00

GENERAL INFORMATION:

Formation: **LKC "I"**
Deviated: No Whipstock: ft (KB)
Time Tool Opened: 08:20:00
Time Test Ended: 13:01:30

Test Type: Conventional Bottom Hole (Initial)
Tester: Kevin Mack
Unit No: 43

Interval: 3984.00 ft (KB) To 4006.00 ft (KB) (TVD)
Total Depth: 4006.00 ft (KB) (TVD)
Hole Diameter: 7.88 inches Hole Condition: Good

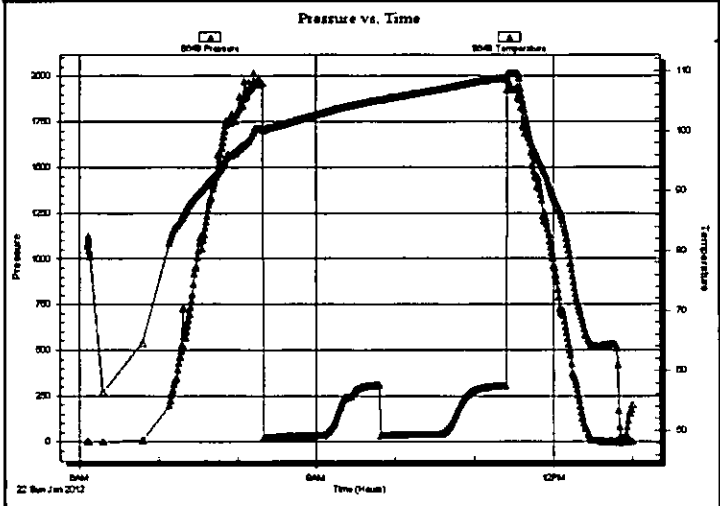
Reference Elevations: 2500.00 ft (KB)
2493.00 ft (CF)
KB to GR/CF: 7.00 ft

Serial #: 8648 **Inside**

Press@RunDepth: psig @ 3985.00 ft (KB)
Start Date: 2012.01.22 End Date: 2012.01.22
Start Time: 06:05:50 End Time: 13:00:44

Capacity: 8000.00 psig
Last Calib.: 2012.01.22
Time On Btm:
Time Off Btm:

TEST COMMENT: IF- 1/4" Blow built to 3 1/4"
IS- No Return
FF- Surface blow started at 2 min. Did not build or die
FS- No Return



PRESSURE SUMMARY

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

Recovery

Length (ft)	Description	Volume (bbl)
60.00	OCWM 75M 20o 5W	0.57

Gas Rates

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

TRILOBITE TESTING, INC.

DRILL STEM TEST REPORT

TOOL DIAGRAM

Downing-Nelson Oil Co. Inc.

PO Box 1019
Hays, KS 67601

ATTN: Marc Downing

Nickelson Farms 'B' #1-23

23-9s-24w Graham,KS

Job Ticket: 43089 **DST#: 1**

Test Start: 2012.01.22 @ 06:05:00

Tool Information

Drill Pipe:	Length:	3962.00 ft	Diameter:	3.80 inches	Volume:	55.58 bbl	Tool Weight:	2000.00 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:	30.00 ft	Diameter:	2.25 inches	Volume:	0.15 bbl	Weight to Pull Loose:	84000.00 lb
					Total Volume:	55.73 bbl	Tool Chased	0.00 ft
Drill Pipe Above KB:		29.00 ft					String Weight: Initial	56000.00 lb
Depth to Top Packer:		3984.00 ft					Final	56000.00 lb
Depth to Bottom Packer:		ft						
Interval between Packers:		22.00 ft						
Tool Length:		43.00 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			3964.00		
Shut In Tool	5.00			3969.00		
Hydraulic tool	5.00			3974.00		
Packer	5.00			3979.00	21.00	Bottom Of Top Packer
Packer	5.00			3984.00		
Stubb	1.00			3985.00		
Recorder	0.00	8648	Inside	3985.00		
Recorder	0.00	6799	Inside	3985.00		
Perforations	16.00			4001.00		
Bullnose	5.00			4006.00	22.00	Bottom Packers & Anchor
Total Tool Length:	**43.00**					

TRILOBITE TESTING, INC.

DRILL STEM TEST REPORT

FLUID SUMMARY

Downing-Nelson Oil Co. Inc.

PO Box 1019
Hays, KS 67601

ATTN: Marc Downing

Nickelson Farms 'B' #1-23

23-9s-24w Graham,KS

Job Ticket: 43089 **DST#: 1**

Test Start: 2012.01.22 @ 06:05:00

Mud and Cushion Information

Mud Type:	Gel Chem	Cushion Type:		Oil API:	deg API
Mud Weight:	9.00 lb/gal	Cushion Length:	ft	Water Salinity:	ppm
Viscosity:	55.00 sec/qt	Cushion Volume:	bbl		
Water Loss:	7.98 in³	Gas Cushion Type:			
Resistivity:	0.00 ohmm	Gas Cushion Pressure:	psig		
Salinity:	1000.00 ppm				
Filter Cake:	1.00 inches				

Recovery Information

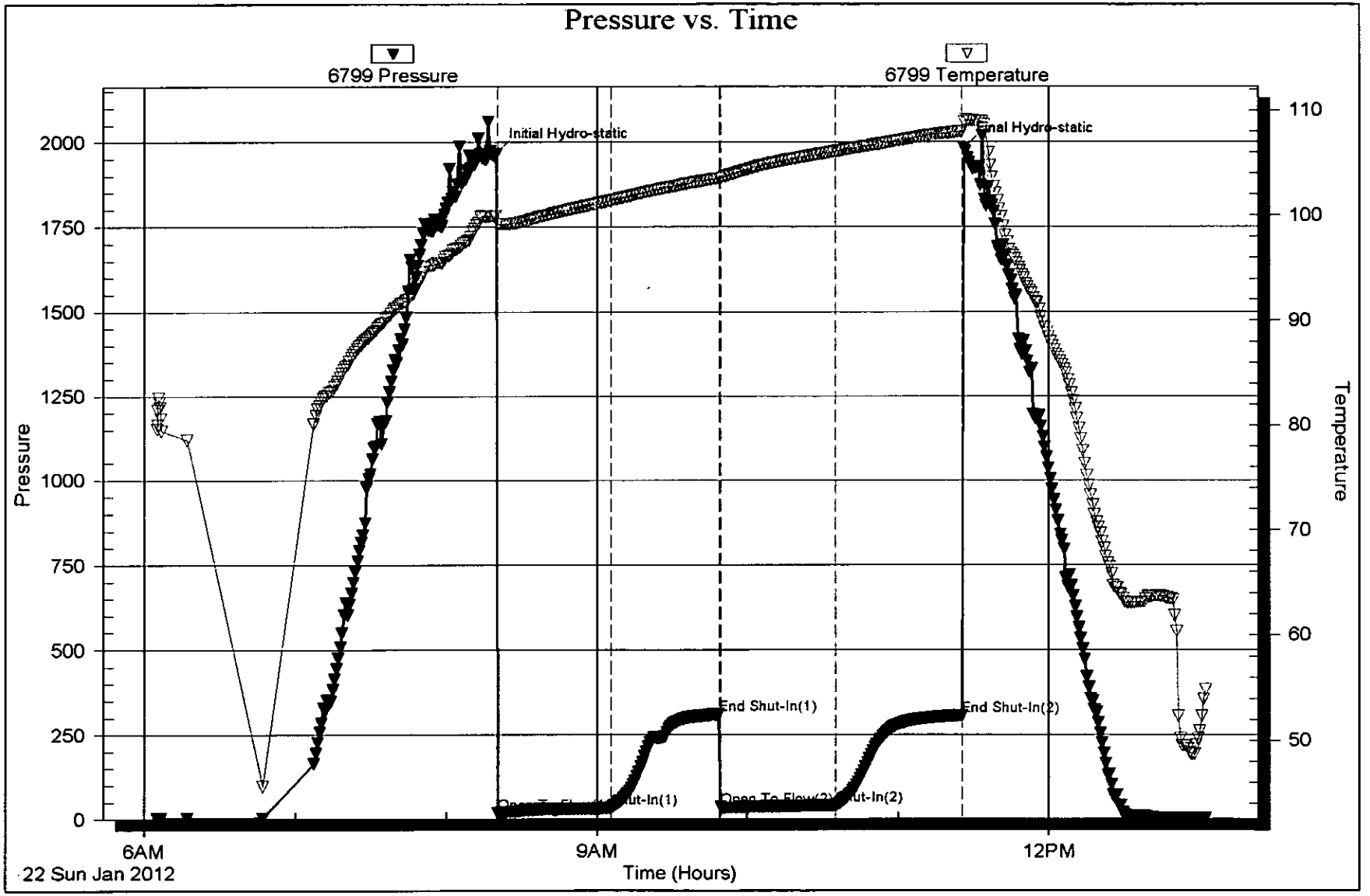
Recovery Table

Length ft	Description	Volume bbl
60.00	OCWM 75M 20o 5W	0.568

Total Length: 60.00 ft Total Volume: 0.568 bbl

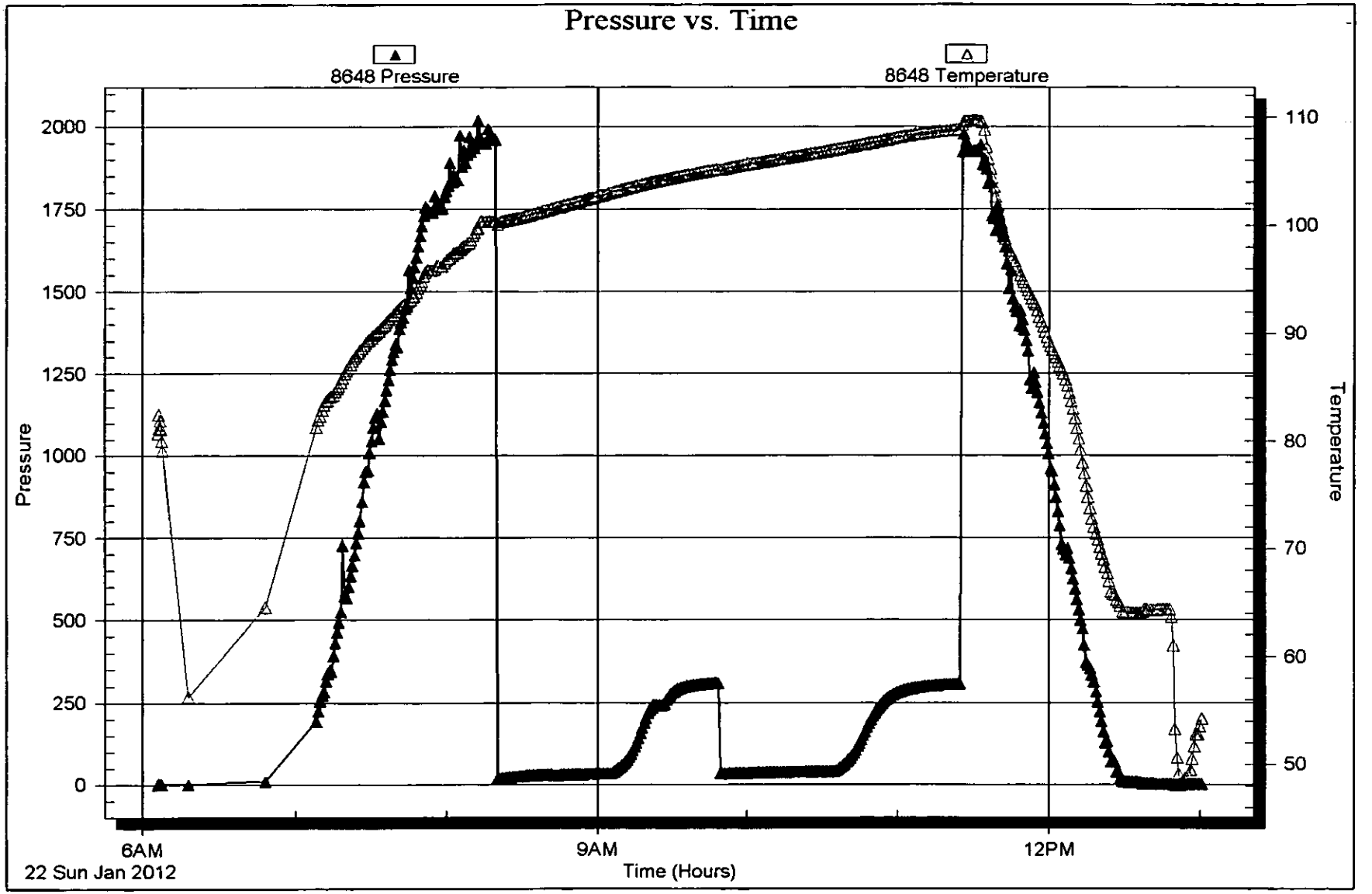
Num Fluid Samples: 0 Num Gas Bombs: 0 Serial #:
Laboratory Name: Laboratory Location:
Recovery Comments:

Serial #: 6799 **Inside** Downing-Nelson Oil Co. Inc. 23-9s-24w Graham,KS DST Test Number: 1



Trilobite Testing, Inc Ref. No: 43089 Printed: 2012.01.27 @ 11:33:48

Serial #: 8648 Inside Downing-Nelson Oil Co. Inc. 23-9s-24w Graham,KS DST Test Number: 1



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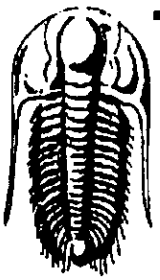


TRILOBITE TESTING, INC.

DRILL STEM TEST REPORT

Prepared For: **Downing-Nelson Oil Co. Inc.**

PO Box 1019
Hays, KS 67601

ATTN: Marc Downing

23-9s-24w Graham,KS

Nickelson Farms 'B' #1-23

Start Date: 2012.01.22 @ 20:22:00
End Date: 2012.01.23 @ 03:28:15
Job Ticket #: 43090 DST #: 2

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

Printed: 2012.01.27 @ 11:32:11

DRILL STEM TEST REPORT

TRILOBITE TESTING, INC.

Downing-Nelson Oil Co. Inc.

PO Box 1019
Hays, KS 67601

ATTN: Marc Downing

Nickelson Farms 'B' #1-23

23-9s-24w Graham,KS

Job Ticket: 43090 **DST#: 2**

Test Start: 2012.01.22 @ 20:22:00

GENERAL INFORMATION:

Formation: **LKC "I,J"**
Deviated: No Whipstock: ft (KB)
Time Tool Opened: 22:17:30
Time Test Ended: 03:28:15

Test Type: Conventional Bottom Hole (Initial)
Tester: Kevin Mack
Unit No: 43

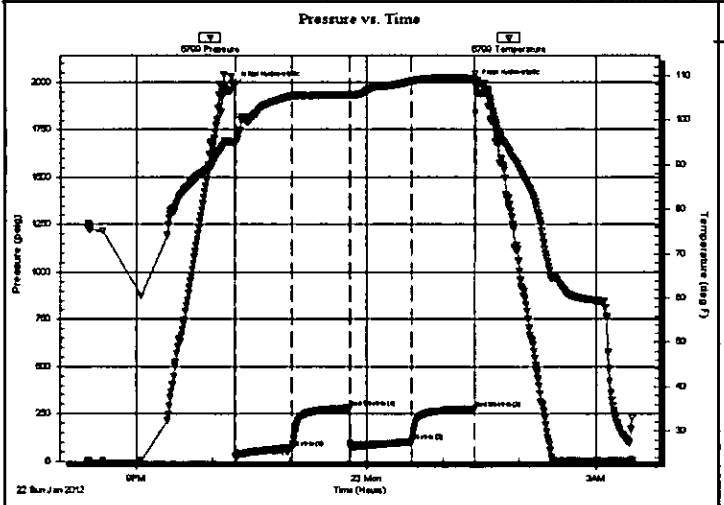
Interval: 3985.00 ft (KB) To 4030.00 ft (KB) (TVD)
Total Depth: 4030.00 ft (KB) (TVD)
Hole Diameter: 7.88 inches Hole Condition: Good

Reference Elevations: 2500.00 ft (KB)
2493.00 ft (CF)
KB to GR/CF: 7.00 ft

Serial #: 6799 **Inside**
Press@RunDepth: 103.10 psig @ 3986.00 ft (KB)
Start Date: 2012.01.22 End Date: 2012.01.23
Start Time: 20:22:05 End Time: 03:28:14

Capacity: 8000.00 psig
Last Calib.: 2012.01.23
Time On Btm: 2012.01.22 @ 22:17:00
Time Off Btm: 2012.01.23 @ 01:26:15

TEST COMMENT: IF- 1/2" Blow built to BoB in 29 min.
IS- Weak Surface return started at 5 min. Died at 30 min.
FF- Surface Blow built to 7 1/2"
FS- Weak Surface return started at 12 min. Did not build or die.



PRESSURE SUMMARY

Time (Mn.)	Pressure (psig)	Temp (deg F)	Annotation
0	1984.26	95.09	Initial Hydro-static
1	24.54	94.56	Open To Flow (1)
45	70.72	105.44	Shut-In(1)
90	279.97	105.72	End Shut-In(1)
91	72.18	105.69	Open To Flow (2)
139	103.10	108.73	Shut-In(2)
188	278.26	109.39	End Shut-In(2)
190	1993.25	108.86	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
5.00	Mud (Heavy) 100M	0.02
119.00	OSMW 30M 70W (oil spots)	1.44
55.00	OCWM 50M 30W 20o	0.77
5.00	Free oil 100o	0.07

Gas Rates

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

DRILL STEM TEST REPORT

TRILOBITE TESTING, INC.

Downing-Nelson Oil Co. Inc.

PO Box 1019
Hays, KS 67601

ATTN: Marc Downing

Nickelson Farms 'B' #1-23

23-9s-24w Graham,KS

Job Ticket: 43090 **DST#: 2**

Test Start: 2012.01.22 @ 20:22:00

GENERAL INFORMATION:

Formation: **LKC "I,J"**
Deviated: No Whipstock: ft (KB)
Time Tool Opened: 22:17:30
Time Test Ended: 03:28:15

Test Type: Conventional Bottom Hole (Initial)
Tester: Kevin Mack
Unit No: 43

Interval: 3985.00 ft (KB) To 4030.00 ft (KB) (TVD)
Total Depth: 4030.00 ft (KB) (TVD)
Hole Diameter: 7.88 inches Hole Condition: Good

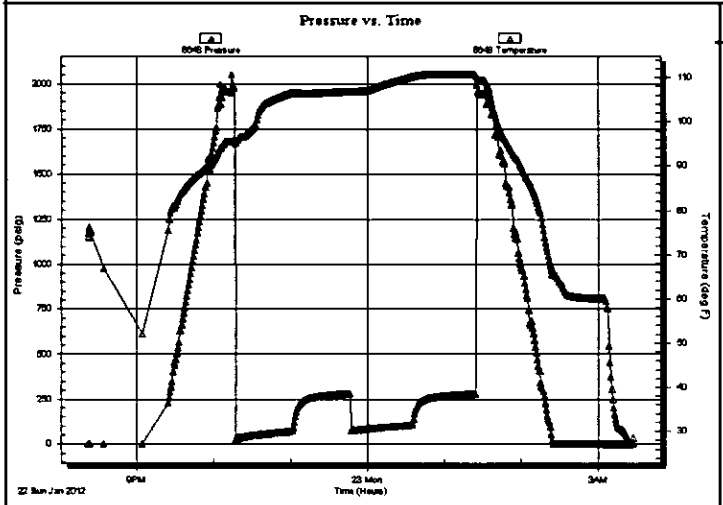
Reference Elevations: 2500.00 ft (KB)
2493.00 ft (CF)
KB to GR/CF: 7.00 ft

Serial #: 8648 **Inside**

Press@RunDepth: psig @ 3986.00 ft (KB)
Start Date: 2012.01.22 End Date: 2012.01.23
Start Time: 20:22:35 End Time: 03:26:59

Capacity: 8000.00 psig
Last Calib.: 2012.01.23
Time On Btm:
Time Off Btm:

TEST COMMENT: IF- 1/2" Blow built to BoB in 29 min.
IS- Weak Surface return started at 5 min. Died at 30 min.
FF- Surface Blow built to 7 1/2"
FS- Weak Surface return started at 12 min. Did not build or die.



PRESSURE SUMMARY

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

Recovery

Length (ft)	Description	Volume (bbl)
5.00	Mud (Heavy) 100M	0.02
119.00	OSMW 30M 70W (oil spots)	1.44
55.00	OCWM 50M 30W 20o	0.77
5.00	Free oil 100o	0.07

Gas Rates

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

DRILL STEM TEST REPORT

TOOL DIAGRAM

Downing-Nelson Oil Co. Inc.

PO Box 1019
Hays, KS 67601

ATTN: Marc Downing

Nickelson Farms 'B' #1-23

23-9s-24w Graham,KS

Job Ticket: 43090 **DST#: 2**

Test Start: 2012.01.22 @ 20:22:00

Tool Information

Drill Pipe:	Length:	3964.00 ft	Diameter:	3.80 inches	Volume:	55.60 bbl	Tool Weight:	2000.00 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:	30.00 ft	Diameter:	2.25 inches	Volume:	0.15 bbl	Weight to Pull Loose:	65000.00 lb
					Total Volume:	55.75 bbl	Tool Chased	ft
Drill Pipe Above KB:		30.00 ft					String Weight: Initial	58000.00 lb
Depth to Top Packer:		3985.00 ft					Final	58000.00 lb
Depth to Bottom Packer:		ft						
Interval between Packers:		45.00 ft						
Tool Length:		66.00 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			3965.00		
Shut In Tool	5.00			3970.00		
Hydraulic tool	5.00			3975.00		
Packer	5.00			3980.00	21.00	Bottom Of Top Packer
Packer	5.00			3985.00		
Stubb	1.00			3986.00		
Recorder	0.00	8648	Inside	3986.00		
Recorder	0.00	6799	Inside	3986.00		
Perforations	6.00			3992.00		
Change Over Sub	1.00			3993.00		
Drill Pipe	31.00			4024.00		
Change Over Sub	1.00			4025.00		
Bullnose	5.00			4030.00	45.00	Bottom Packers & Anchor
Total Tool Length:	**66.00**					

TRILOBITE TESTING, INC.

DRILL STEM TEST REPORT

FLUID SUMMARY

Downing-Nelson Oil Co. Inc.

PO Box 1019
Hays, KS 67601

ATTN: Marc Downing

Nickelson Farms 'B' #1-23

23-9s-24w Graham,KS

Job Ticket: 43090 **DST#: 2**

Test Start: 2012.01.22 @ 20:22:00

Mud and Cushion Information

Mud Type:	Gel Chem	Cushion Type:		Oil API:	deg API
Mud Weight:	9.00 lb/gal	Cushion Length:	ft	Water Salinity:	27500 ppm
Viscosity:	51.00 sec/qt	Cushion Volume:	bbl		
Water Loss:	7.99 in³	Gas Cushion Type:			
Resistivity:	0.00 ohm.m	Gas Cushion Pressure:	psig		
Salinity:	1000.00 ppm				
Filter Cake:	1.00 inches				

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
5.00	Mud (Heavy) 100M	0.025
119.00	OSMW 30M 70W (oil spots)	1.442
55.00	OCWM 50M 30W 20o	0.772
5.00	Free oil 100o	0.070

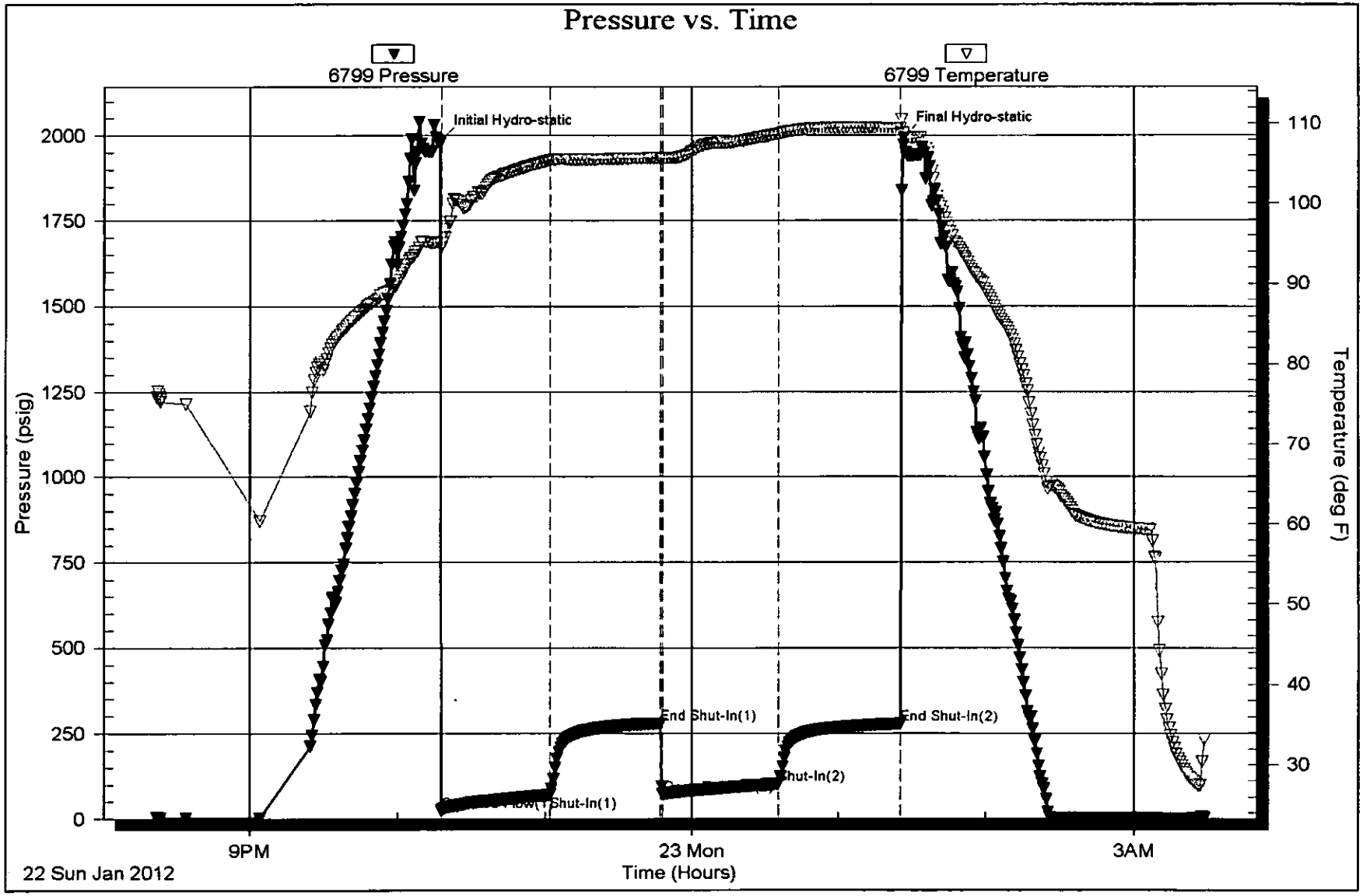
Total Length: 184.00 ft Total Volume: 2.309 bbl

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

Laboratory Name: Laboratory Location:

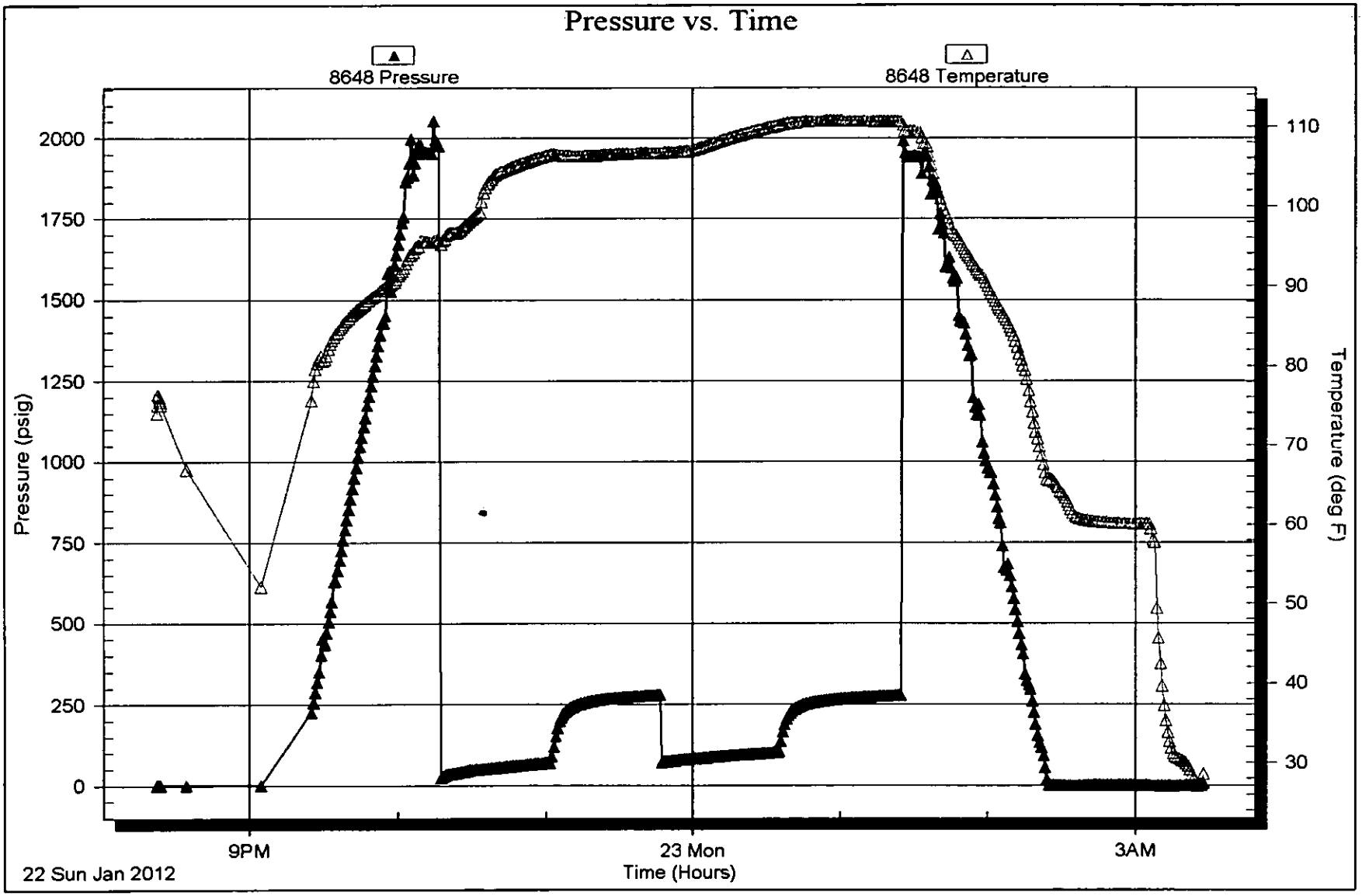
Recovery Comments: RW .34@ 52 deg = 27500 ppm

Serial #: 6799 Inside Downing-Nelson Oil Co. Inc. 23-9s-24w Graham,KS DST Test Number: 2



Trilobite Testing, Inc Ref. No: 43090 Printed: 2012.01.27 @ 11:32:13

Serial #: 8648 Inside Downing-Nelson Oil Co. Inc. 23-9s-24w Graham,KS DST Test Number: 2



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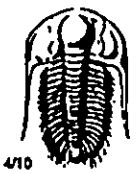

TRILOBITE TESTING INC.

P.O. Box 1733 - Hays, Kansas 67601

RECEIVED
JAN 26 2012
BY:

Test Ticket

NO. 043089

Well Name & No. Nickelson Farms "B" #1-23 Test No. 1 Date 1-22-12

Company Downing-Nelson Oil Co. Inc. Elevation 2500 KB 2493 GL

Address P.O. Box 1019 Hays, KS 67601

Co. Rep / Geo. Marc Downing Rig Discovery #1

Location: Sec. 23 Twp. 9s Rge. 24w Co. Graham State KS

Interval Tested 3984-4006 Zone Tested LKC "I"

Anchor Length 22' Drill Pipe Run 3962 Mud Wt. 9

Top Packer Depth 3980 Drill Collars Run 30' Vis 55

Bottom Packer Depth 3984 Wt. Pipe Run Ø WL 8.0

Total Depth 4006 Chlorides 1,000 ppm System LCM 2#

Blow Description IF- 1/4" Blow built to 3¼"
IS- No Return
FF- Surface Blow started at 2 min. ~~Built to~~ did not build order
FS- No Return

Rec 60	Feet of OCWM	%gas 20	%oil 5	%water 75	%mud	
Rec	Feet of	%gas ~~20~~	%oil ~~5~~	%water ~~75~~	%mud	
Rec	Feet of	%gas	%oil	%water	%mud	
Rec	Feet of	%gas	%oil	%water	%mud	
Rec	Feet of	%gas	%oil	%water	%mud	

Rec Total 60 BHT 108 Gravity — API RW — @ — °F Chlorides — ppm

(A) Initial Hydrostatic 1965	☒ Test 1225	T-On Location 5:35 AM
(B) First Initial Flow 18	☐ Jars	T-Started 6:05 AM
(C) First Final Flow 34	☐ Safety Joint	T-Open 8:20 AM
(D) Initial Shut-In 310	☒ Circ Sub N/C	T-Pulled 11:30 AM
(E) Second Initial Flow 36	☐ Hourly Standby	T-Out 1:01 PM
(F) Second Final Flow 40	☒ Mileage 148 RT 20%	Comments 30' GIP
(G) Final Shut-In 307	☐ Sampler	
(H) Final Hydrostatic 1980	☐ Straddle	☐ Ruined Shale Packer
	☐ Shale Packer	☐ Ruined Packer
Initial Open 45	☐ Extra Packer	☐ Extra Copies
Initial Shut-In 45	☐ Extra Recorder	Sub Total Ø
Final Flow 45	☐ Day Standby	Total 1432.20
Final Shut-In 45	☐ Accessibility	MP/DST Disc't
	Sub Total 1432.20	

Approved By _____ Our Representative _____

TRILOBITE TESTING INC.
P.O. Box 1733 • Hays, Kansas 67601

RECEIVED
JAN 26 2012
BY:

Test Ticket
NO. 043090

Well Name & No. Nickelson Farms "B" #1-23 Test No. 2 Date 1-22-12
Company Downing-Nelson Oil Co. Inc. Elevation 2500 KB 2493 GL
Address P.O. Box 1019 Hays, KS 67601
Co. Rep / Geo. Marc Downing Rig Discovery #1
Location: Sec. 23 Twp. 9s Rge. 24w Co. Graham State KS

Interval Tested 3985-4030 Zone Tested LKC "I, J
Anchor Length 45' Drill Pipe Run 3964 Mud Wt. 9.1
Top Packer Depth 3981 Drill Collars Run 30' Vis 51
Bottom Packer Depth 3985 Wt. Pipe Run Ø WL 8.0
Total Depth 4030 Chlorides 1,000 ppm System LCM 1.5#

Blow Description IF- ½" Blow built to BoB in 29 min.
IS- Weak Surface return started out 6 min. Died out 30 min.
FF- Surface Blow built to 7 ½"
FS- Weak Surface return started at 12 min. [redacted] did not build or dr.

Rec 5	Feet of Free Oil	%gas	100	%oil		%water		%mud	
Rec 55	Feet of GCWM	%gas	20	%oil	30	%water	50	%mud	
Rec 119	Feet of GSMW	%gas	SPOTS	%oil	70	%water	30	%mud	
Rec 5	Feet of heavy mud	%gas	Sp	%oil		%water	100	%mud	
Rec	Feet of	%gas		%oil		%water		%mud	

Rec Total 184 BHT 109 Gravity — API RW .34 @ 52 °F Chlorides 27,500 ppm

(A) Initial Hydrostatic	1984	☒ Test	1225	T-On Location	8:15 PM
(B) First Initial Flow	24	☐ Jars		T-Started	9:22 PM
(C) First Final Flow	70	☐ Safety Joint		T-Open	10:17 PM
(D) Initial Shut-In	279	☒ Circ Sub	505	T-Pulled	1:17 AM
(E) Second Initial Flow	72	☐ Hourly Standby		T-Out	3:28 AM
(F) Second Final Flow	103	☒ Mileage	148RT 20720	Comments	
(G) Final Shut-In	278	☐ Sampler			
(H) Final Hydrostatic	1993	☐ Straddle		☐ Ruined Shale Packer	
		☐ Shale Packer		☐ Ruined Packer	
Initial Open	45	☐ Extra Packer		☐ Extra Copies	
Initial Shut-In	45	☐ Extra Recorder		Sub Total	Ø
Final Flow	45	☐ Day Standby		Total	1482.20
Final Shut-In	45	☐ Accessibility		MP/DST Disc't	
		Sub Total	1482.20		

Approved By Our Representative