



KANSAS CORPORATION COMMISSION 1093878
OIL & GAS CONSERVATION DIVISION

Form ACO-1
June 2009

Form Must Be Typed
Form must be Signed
All blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 30742
Name: Palomino Petroleum, Inc.
Address 1: 4924 SE 84TH ST
Address 2: _____
City: NEWTON State: KS Zip: 67114 + 8827
Contact Person: Klee R. Watchous
Phone: (316) 799-1000
CONTRACTOR: License # 5822
Name: Val Energy, Inc.
Wellsite Geologist: Nicholas P. Gerstner and Ryan Seib
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 #: _____

<u>06/29/2012</u>	<u>07/09/2012</u>	<u>07/10/2012</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-101-22389-00-00
Spot Description: _____
NE NW SE SE Sec. 4 Twp. 16 S. R. 28 East West
1318 Feet from North / South Line of Section
896 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Lane
Lease Name: Shanline Trusts Well #: 1
Field Name: Shanline
Producing Formation: LKC, Marmaton, Mississippian
Elevation: Ground: 2584 Kelly Bushing: 2595
Total Depth: 4450 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 221 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: 0 ppm Fluid volume: 0 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: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
ALT I II III Approved by: NAOMI JAMES Date: 10/01/2012



1093878

Operator Name: Palomino Petroleum, Inc. Lease Name: Shanline Trusts Well #: 1
 Sec. 4 Twp. 16 S. R. 28 East West County: Lane

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

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

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12.25	8.625	23	221	Class A	165	2%gel 3%cc

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: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Date of First, Resumed Production, SWD or ENHR. _____		Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) _____	
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls. Gas-Oil Ratio Gravity

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> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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Form	ACO1 - Well Completion
Operator	Palomino Petroleum, Inc.
Well Name	Shanline Trusts 1
Doc ID	1093878

Tops

	Top	Datum
Anhy.	1995	+ 600
Base Anhy.	2030	+ 565
Heebner	3745	-1150
Lansing	3781	-1186
BKC	4107	-1512
Marmaton	4137	-1542
Pawnee	4202	-1607
Ft. Scott	4284	-1689
Cherokee Sh.	4311	-1716
Miss.	4385	-1790
LTD	4449	-1854



INVOICE

PO Box 93999
Southlake, TX 76092

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

RECEIVED
JUL 10 2012

Invoice Number: 131718
Invoice Date: Jun 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	Shanline Trusts #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Great Bend	Jun 30, 2012	7/30/12

Quantity	Item	Description	Unit Price	Amount
165.00	MAT	Class A Common	16.25	2,681.25
3.00	MAT	Gel	21.25	63.75
6.00	MAT	Chloride	58.20	349.20
178.24	SER	Cubic Feet	2.10	374.30
325.20	SER	Ton Mileage	2.35	764.22
1.00	SER	Surface	1,125.00	1,125.00
40.00	SER	Pump Truck Mileage	7.00	280.00
40.00	SER	Light Vehicle Mileage	4.00	160.00
1.00	EQUIP OPER	Greg Redetzke		
1.00	EQUIP OPER	Kevin Eddy		
1.00	EQUIP OPER	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

\$ 14,494.33

ONLY IF PAID ON OR BEFORE
Jul 25, 2012

Subtotal	5,797.72
Sales Tax	194.93
Total Invoice Amount	5,992.65
Payment/Credit Applied	
TOTAL	5,992.65

ALLIED OIL & GAS SERVICES, LLC 053667

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

SERVICE POINT: Crestview, KS

DATE <u>6-30-12</u>	SEC <u>4</u>	TWP <u>10S</u>	RANGE <u>20W</u>	CALLED OUT	ON LOCATION	JOB START <u>6:00 AM</u>	JOB FINISH <u>6:30 AM</u>
LEASE <u>Phantom Trust</u>	WELL # <u>1</u>	LOCATION <u>Shields to, east</u>		COUNTY <u>Osage</u>	STATE <u>KS</u>		
OLD OR NEW (Circle one) <u>NEW</u>		LOCATION <u>4 north, east, 1/2 north west 1/2</u>					

CONTRACTOR <u>Val # 17</u>	OWNER <u>Polonio</u>
TYPE OF JOB <u>surface</u>	
HOLE SIZE <u>12 1/4</u> T.D. <u>222</u>	CEMENT AMOUNT ORDERED <u>1655x C/45 A</u>
CASING SIZE <u>8 5/8</u> DEPTH <u>222</u>	<u>2 3/4 cc 2 3/4 cc</u>
TUBING SIZE DEPTH	
DRILL PIPE DEPTH	
TOOL DEPTH	
PRES. MAX MINIMUM	COMMON <u>165</u> @ <u>16.25</u> <u>2.681.25</u>
MEAS. LINE SHOE JOINT	POZMIX @ <u>13.25</u> <u>317.25</u>
CEMENT LEFT IN CSG. <u>154</u>	GEL @ <u>21.25</u> <u>349.20</u>
PERFS.	CHLORIDE <u>6</u> @ <u>349.20</u>
DISPLACEMENT <u>1318 BDL</u>	ASC @

EQUIPMENT

PUMP TRUCK # <u>398</u>	CEMENTER <u>Greg</u>
BULK TRUCK # <u>524/112</u>	HELPER <u>Ronnie</u>
BULK TRUCK #	DRIVER <u>Kerry</u>
BULK TRUCK #	DRIVER

REMARKS:
Pipe on bottom. Circ. cas. w/
1/2" band. Hook up cement
truck mix 1655 x Class A
2 3/4 cc top gel, 2 3/4 cc w/
1318 BDL cement w/ 1/2" shoe joint
CEMENT @ 16.25
1318 BDL @ 16.25

HANDLING <u>178.24</u>	@ <u>2.10</u>	<u>374.30</u>
MILEAGE <u>8.13 x 40x</u>	@ <u>2.35</u>	<u>764.22</u>
TOTAL		<u>4.232.22</u>

CHARGE TO: Polonio

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB <u>222</u>		
PUMP TRUCK CHARGE	@ <u>1125.00</u>	
EXTRA FOOTAGE	@	
MILEAGE <u>Hum 40</u>	@ <u>7.00</u>	<u>280.00</u>
MANIFOLD <u>Hum 40</u>	@ <u>4.00</u>	<u>160.00</u>
TOTAL		<u>1565.00</u>

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.

PLUG & FLOAT EQUIPMENT

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

PRINTED NAME X _____

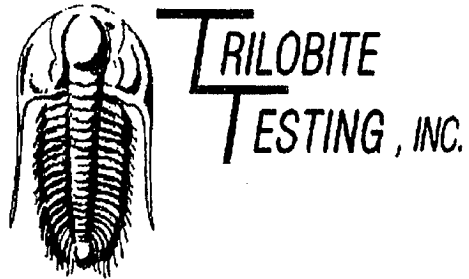
SIGNATURE X Joshua Villarreal
Thank You!

SALES TAX (If Any) _____

TOTAL CHARGES 5.797.22

DISCOUNT 25% 1.449.43 IF PAID IN 30 DAYS

4.348.79



DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Inc.**

4924 SE 84th St.
Newton KS 67114

ATTN: Ryan Seib

Shanline Trust #1

4-16s-28w Lane,KS

Start Date: 2012.07.05 @ 02:42:00

End Date: 2012.07.05 @ 09:27:09

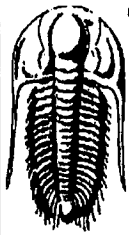
Job Ticket #: 45913 DST #: 1

Trilobite Testing, Inc

PO Box 362 Hays, KS 67601

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

Printed: 2012.07.19 @ 10:29:59



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45913

DST#: 1

ATTN: Ryan Seib

Test Start: 2012.07.05 @ 02:42:00

GENERAL INFORMATION:

Formation: **Lansing**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 04:54:40

Time Test Ended: 09:27:09

Test Type: Conventional Bottom Hole (Initial)

Tester: Will MacLean

Unit No: 40

Interval: **3785.00 ft (KB) To 3850.00 ft (KB) (TVD)**

Reference Elevations: 2595.00 ft (KB)

Total Depth: 3850.00 ft (KB) (TVD)

2585.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Good

KB to GR/CF: 10.00 ft

Serial #: 8322 Outside

Press@RunDepth: 823.75 psig @ 3786.00 ft (KB)

Capacity: 8000.00 psig

Start Date: 2012.07.05

End Date: 2012.07.05

Last Calib.: 2012.07.05

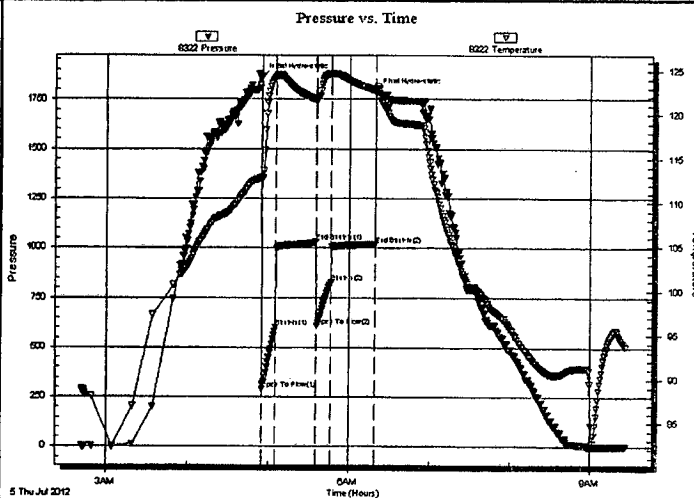
Start Time: 02:42:00

End Time: 09:27:09

Time On Btm: 2012.07.05 @ 04:54:25

Time Off Btm: 2012.07.05 @ 06:19:25

TEST COMMENT: IF- BOB in 30sec
IS- Weak Surface Blow in 7 1/2min Built to 1/4"
FF- BOB in 26sec
FSI- Weak Surface Blow in 18min



PRESSURE SUMMARY

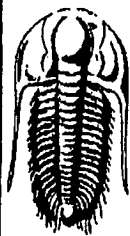
Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1860.00	112.91	Initial Hydro-static
1	289.07	112.57	Open To Flow (1)
11	601.88	124.24	Shut-In(1)
41	1028.97	121.69	End Shut-In(1)
42	607.20	121.58	Open To Flow (2)
52	823.75	124.64	Shut-In(2)
85	1015.85	122.80	End Shut-In(2)
85	1784.12	122.94	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
641.00	MGCW 3%m 4%g 93%w	8.99
336.00	GMCW 3%g 12%m 85%w	4.71
244.00	GMCW 2%g 34%m 64%w	3.42
122.00	WCM 4%w 96%m	1.71
91.00	100%m	1.28

Gas Rates

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



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45913

DST#: 1

ATTN: Ryan Seib

Test Start: 2012.07.05 @ 02:42:00

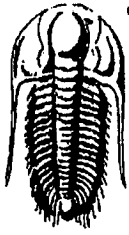
Tool Information

Drill Pipe:	Length: 3770.00 ft	Diameter: 3.80 inches	Volume: 52.88 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: 24000.00 lb
Drill Collar:	Length: 0.00 ft	Diameter: 2.25 inches	Volume: 0.00 bbl	Weight to Pull Loose: 20000.00 lb
		Total Volume: 52.88 bbl		Tool Chased ft
Drill Pipe Above KB:	12.00 ft			String Weight: Initial 48000.00 lb
Depth to Top Packer:	3785.00 ft			Final 52000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	65.00 ft			
Tool Length:	92.00 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			3759.00	
Shut In Tool	5.00			3764.00	
Hydraulic tool	5.00			3769.00	
Jars	5.00			3774.00	
Safety Joint	2.00			3776.00	
Packer	5.00			3781.00	27.00 Bottom Of Top Packer
Packer	4.00			3785.00	
Stubb	1.00			3786.00	
Recorder	0.00	8360	Inside	3786.00	
Recorder	0.00	8322	Outside	3786.00	
Perforations	25.00			3811.00	
Change Over Sub	1.00			3812.00	
Drill Pipe	30.00			3842.00	
Change Over Sub	1.00			3843.00	
Perforations	4.00			3847.00	
Bullnose	3.00			3850.00	65.00 Bottom Packers & Anchor
Total Tool Length:	92.00				



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

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

4-16s-28w Lane,KS
Shanline Trust #1
Job Ticket: 45913 **DST#: 1**
Test Start: 2012.07.05 @ 02:42:00

Mud and Cushion Information

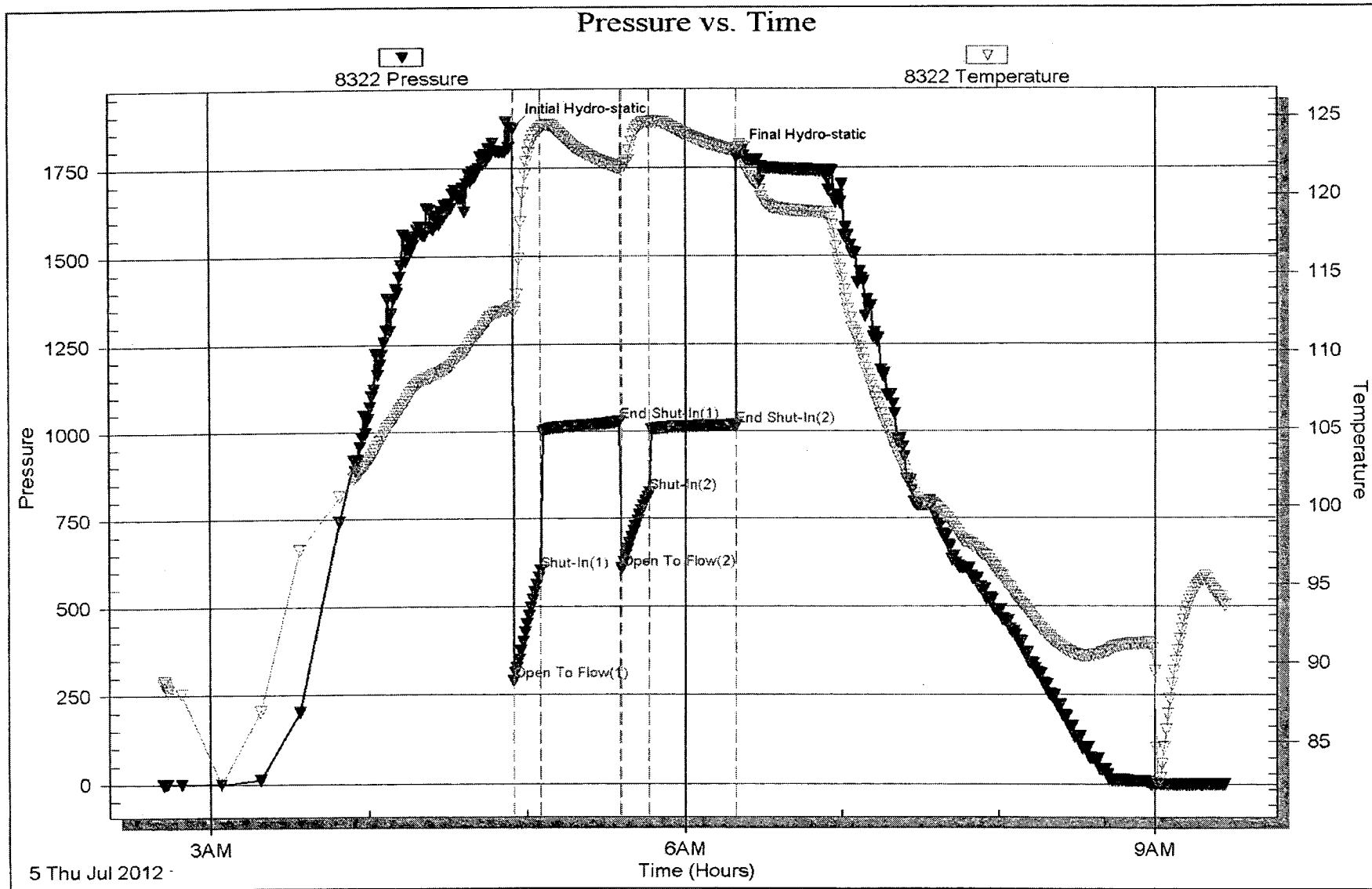
Mud Type: Gel Chem	Cushion Type:	Oil API:	deg API
Mud Weight: 9.00 lb/gal	Cushion Length: ft	Water Salinity: 32000 ppm	
Viscosity: 37.00 sec/qt	Cushion Volume: bbl		
Water Loss: 11.82 in ³	Gas Cushion Type:		
Resistivity: ohm.m	Gas Cushion Pressure: psig		
Salinity: 3200.00 ppm			
Filter Cake: 1.00 inches			

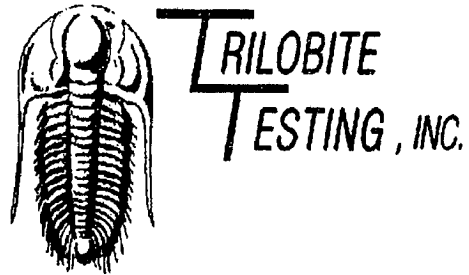
Recovery Information

Recovery Table

Length ft	Description	Volume bbl
641.00	MGCW 3%m 4%g 93%w	8.992
336.00	GMCW 3%g 12%m 85%w	4.713
244.00	GMCW 2%g 34%m 64%w	3.423
122.00	WCM 4%w 96%m	1.711
91.00	100%m	1.276

Total Length: 1434.00 ft Total Volume: 20.115 bbl
 Num Fluid Samples: 0 Num Gas Bombs: 0 Serial #:
 Laboratory Name: Laboratory Location:
 Recovery Comments: RW is .173 @ 85f = 32000





DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Inc.**

4924 SE 84th St.
Newton KS 67114

ATTN: Ryan Seib

Shanline Trust #1

4-16s-28w Lane,KS

Start Date: 2012.07.06 @ 00:38:00

End Date: 2012.07.06 @ 06:54:24

Job Ticket #: 45914 DST #: 2

Trilobite Testing, Inc

PO Box 362 Hays, KS 67601

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

Printed: 2012.07.19 @ 10:29:14



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45914

DST#: 2

ATTN: Ryan Seib

Test Start: 2012.07.06 @ 00:38:00

GENERAL INFORMATION:

Formation: **Lansing**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 02:35:25

Time Test Ended: 06:54:24

Test Type: Conventional Bottom Hole (Reset)

Tester: Will MacLean

Unit No: 40

Interval: **3954.00 ft (KB) To 4002.00 ft (KB) (TVD)**

Total Depth: 4002.00 ft (KB) (TVD)

Hole Diameter: 7.88 inches Hole Condition: Good

Reference Elevations: 2595.00 ft (KB)

2585.00 ft (CF)

KB to GR/CF: 10.00 ft

Serial #: 8360 Inside

Press@RunDepth: 24.28 psig @ 3957.00 ft (KB)

Start Date: 2012.07.06

End Date: 2012.07.06

Capacity: 8000.00 psig

Start Time: 00:38:00

End Time: 06:54:24

Last Calib.: 2012.07.06

Time On Btm: 2012.07.06 @ 02:35:10

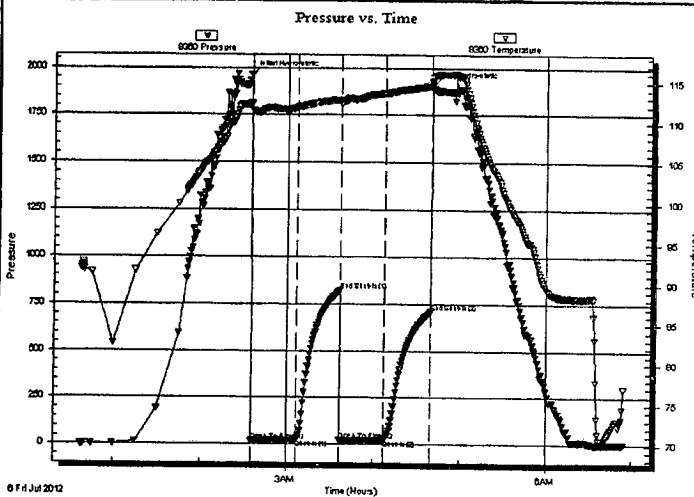
Time Off Btm: 2012.07.06 @ 04:39:40

TEST COMMENT: IF- Weak Surface Blow

IS- No Blow

FF- No Blow

FSI- No Blow



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1961.09	112.32	Initial Hydro-static
1	18.93	111.46	Open To Flow (1)
32	21.50	111.92	Shut-In(1)
62	821.41	112.85	End Shut-In(1)
62	21.37	112.29	Open To Flow (2)
92	24.28	113.61	Shut-In(2)
125	709.76	114.51	End Shut-In(2)
125	1903.92	115.05	Final Hydro-static

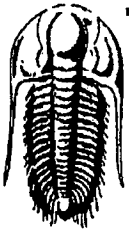
Recovery

Length (ft)	Description	Volume (bbl)
10.00	100% mud	0.14

* Recovery from multiple tests

Gas Rates

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



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45914

DST#: 2

ATTN: Ryan Seib

Test Start: 2012.07.06 @ 00:38:00

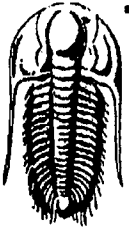
Tool Information

Drill Pipe:	Length: 3951.00 ft	Diameter: 3.80 inches	Volume: 55.42 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: 22000.00 lb
Drill Collar:	Length: 0.00 ft	Diameter: 2.25 inches	Volume: 0.00 bbl	Weight to Pull Loose: 12000.00 lb
			<u>Total Volume: 55.42 bbl</u>	Tool Chased ft
Drill Pipe Above KB:	24.00 ft			String Weight: Initial 48000.00 lb
Depth to Top Packer:	3954.00 ft			Final 48000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	48.00 ft			
Tool Length:	75.00 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			3928.00	
Shut In Tool	5.00			3933.00	
Hydraulic tool	5.00			3938.00	
Jars	5.00			3943.00	
Safety Joint	2.00			3945.00	
Packer	5.00			3950.00	27.00 Bottom Of Top Packer
Packer	4.00			3954.00	
Stubb	1.00			3955.00	
Perforations	2.00			3957.00	
Recorder	0.00	8360	Inside	3957.00	
Recorder	0.00	8322	Outside	3957.00	
Perforations	10.00			3967.00	
Change Over Sub	1.00			3968.00	
Drill Pipe	30.00			3998.00	
Change Over Sub	1.00			3999.00	
Bullnose	3.00			4002.00	48.00 Bottom Packers & Anchor
Total Tool Length:	75.00				



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45914

DST#: 2

ATTN: Ryan Seib

Test Start: 2012.07.06 @ 00:38:00

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: 37.00 sec/qt

Cushion Volume:

bbl

Water Loss: 12.27 in³

Gas Cushion Type:

Resistivity: ohm.m

Gas Cushion Pressure:

psig

Salinity: 3700.00 ppm

Filter Cake: 1.00 inches

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
10.00	100% mud	0.140

Total Length: 10.00 ft Total Volume: 0.140 bbl

Num Fluid Samples: 0

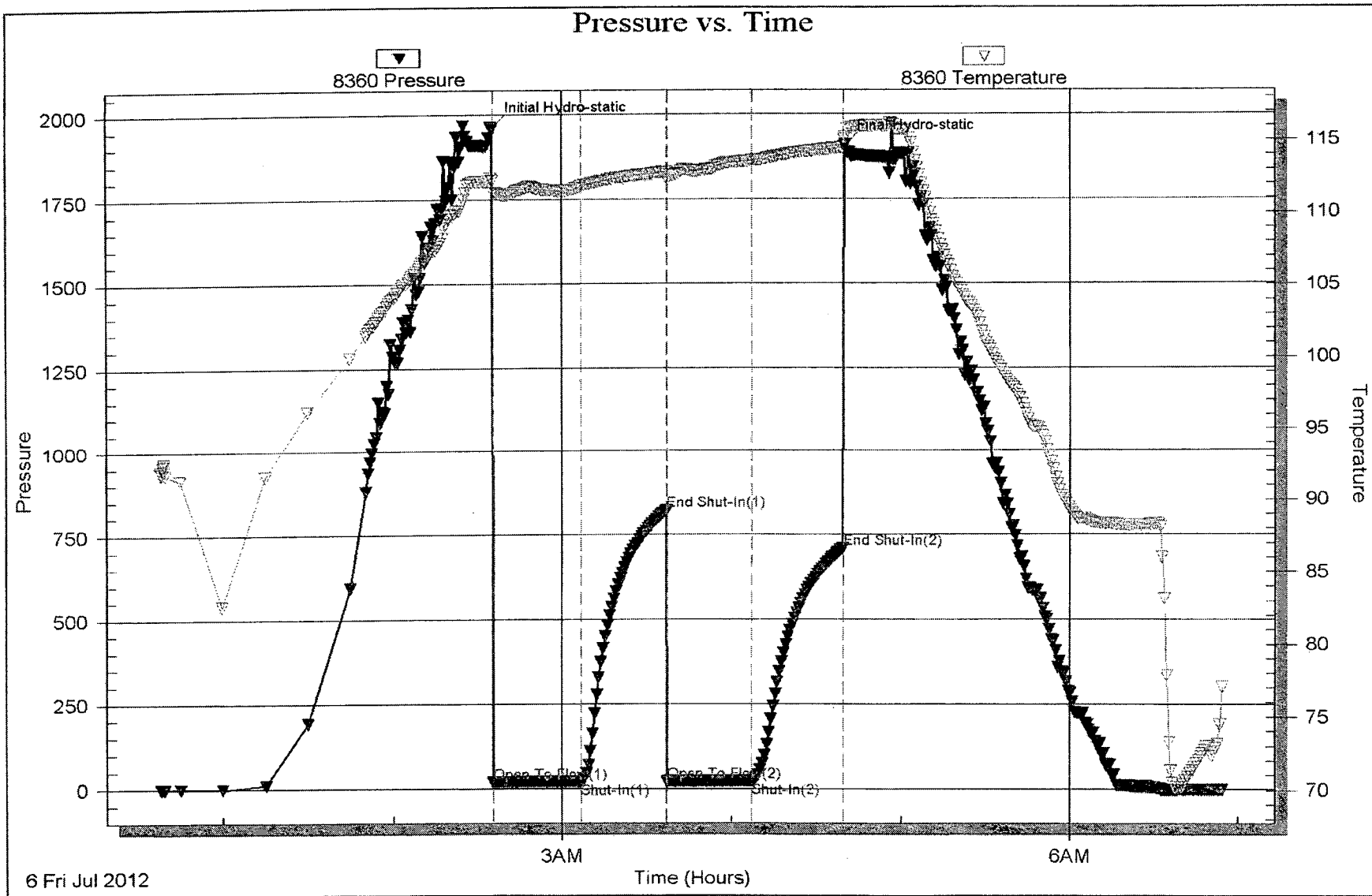
Num Gas Bombs: 0

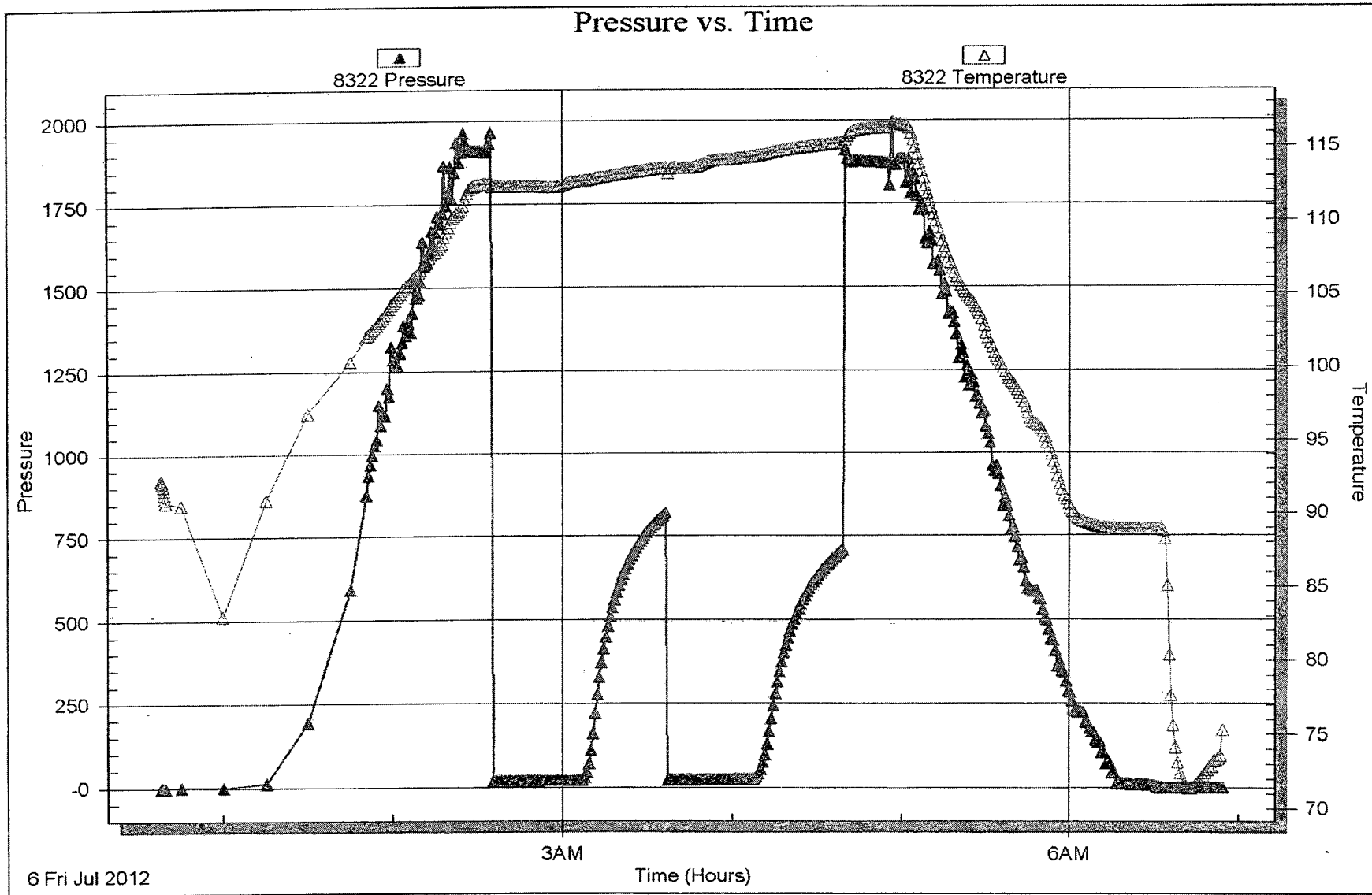
Serial #:

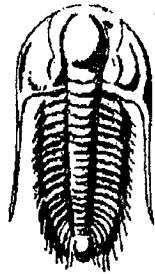
Laboratory Name:

Laboratory Location:

Recovery Comments:







TRILOBITE
TESTING, INC.

DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Inc.**

4924 SE 84th St.
Newton KS 67114

ATTN: Ryan Seib

Shanline Trust #1

4-16s-28w Lane,KS

Start Date: 2012.07.06 @ 20:06:00

End Date: 2012.07.07 @ 02:04:54

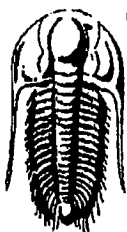
Job Ticket #: 45915 DST #: 3

Trilobite Testing, Inc

PO Box 362 Hays, KS 67601

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

Printed: 2012.07.19 @ 10:27:15



TRILOBITE TESTING, INC.

DRILL STEM TEST REPORT

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45915

DST#: 3

ATTN: Ryan Seib

Test Start: 2012.07.06 @ 20:06:00

GENERAL INFORMATION:

Formation: **Lansing**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 21:49:25

Time Test Ended: 02:04:54

Test Type: Conventional Bottom Hole (Reset)

Tester: Will MacLean

Unit No: 40

Interval: **3974.00 ft (KB) To 4033.00 ft (KB) (TVD)**

Reference Elevations: 2595.00 ft (KB)

Total Depth: 4033.00 ft (KB) (TVD)

2585.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Good

KB to GR/CF: 10.00 ft

Serial #: 8360 Inside

Press@RunDepth: 118.07 psig @ 3975.00 ft (KB)

Capacity: 8000.00 psig

Start Date: 2012.07.06

End Date: 2012.07.07

Last Calib.: 2012.07.07

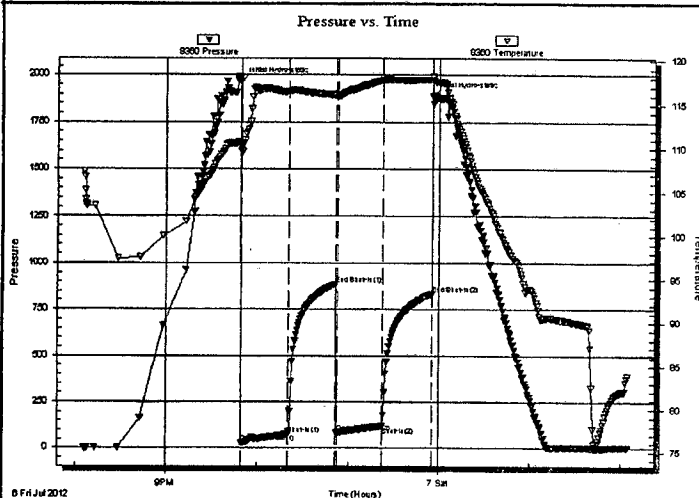
Start Time: 20:06:00

End Time: 02:04:54

Time On Btm: 2012.07.06 @ 21:48:55

Time Off Btm: 2012.07.06 @ 23:55:40

TEST COMMENT: IF- Surface Blow Built to BOB in 22 min
IS- No Blow
FF- Weak Surface Blow Built to 4 1/4"
FS- No Blow



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1966.72	110.64	Initial Hydro-static
1	26.54	109.86	Open To Flow (1)
32	75.55	116.50	Shut-In(1)
63	887.15	116.10	End Shut-In(1)
64	82.14	115.81	Open To Flow (2)
94	118.07	117.76	Shut-In(2)
127	833.88	117.87	End Shut-In(2)
127	1887.39	118.19	Final Hydro-static

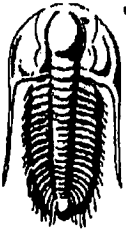
Recovery

Length (ft)	Description	Volume (bbl)
61.00	WGCM 5%w 6%g 89%m	0.86
61.00	GM 6%g 94%m with Skim of Oil	0.86
81.00	OGCM 1%oil 2%g 97%m	1.14

* Recovery from multiple tests

Gas Rates

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



TRILOBITE TESTING, INC.

DRILL STEM TEST REPORT

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

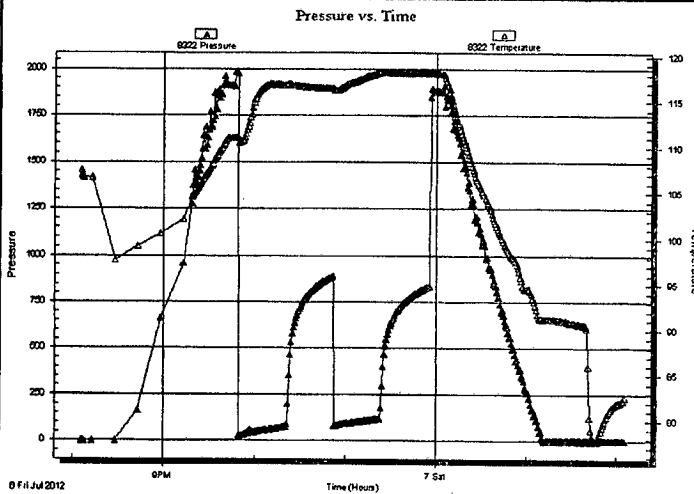
4-16s-28w Lane, KS
Shanline Trust #1
Job Ticket: 45915 **DST#: 3**
Test Start: 2012.07.06 @ 20:06:00

GENERAL INFORMATION:

Formation: **Lansing**
Deviated: No Whipstock: ft (KB)
Time Tool Opened: 21:49:25
Time Test Ended: 02:04:54
Interval: **3974.00 ft (KB) To 4033.00 ft (KB) (TVD)**
Total Depth: 4033.00 ft (KB) (TVD)
Hole Diameter: 7.88 inches Hole Condition: Good
Test Type: Conventional Bottom Hole (Reset)
Tester: Will MacLean
Unit No: 40
Reference Elevations: 2595.00 ft (KB)
2585.00 ft (CF)
KB to GR/CF: 10.00 ft

Serial #: 8322 **Outside**
Press@RunDepth: psig @ 3975.00 ft (KB) Capacity: 8000.00 psig
Start Date: 2012.07.06 End Date: 2012.07.07 Last Calib.: 2012.07.07
Start Time: 20:06:05 End Time: 02:04:59 Time On Btm:
Time Off Btm:

TEST COMMENT: IF- Surface Blow Built to BOB in 22 min
IS- No Blow
FF- Weak Surface Blow Built to 4 1/4"
FS- No Blow



PRESSURE SUMMARY

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

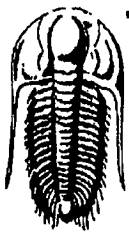
Recovery

Length (ft)	Description	Volume (bbl)
61.00	WGCM 5%w 6%g 89%m	0.86
61.00	GM 6%g 94%m with Skim of Oil	0.86
81.00	OGCM 1%oil 2%g 97%m	1.14

* Recovery from multiple tests

Gas Rates

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



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45915

DST#: 3

ATTN: Ryan Seib

Test Start: 2012.07.06 @ 20:06:00

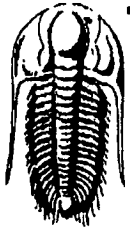
Tool Information

Drill Pipe:	Length: 3956.00 ft	Diameter: 3.80 inches	Volume: 55.49 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: 24000.00 lb
Drill Collar:	Length: 0.00 ft	Diameter: 2.25 inches	Volume: 0.00 bbl	Weight to Pull Loose: 8000.00 lb
			<u>Total Volume: 55.49 bbl</u>	Tool Chased ft
Drill Pipe Above KB:	9.00 ft			String Weight: Initial 48000.00 lb
Depth to Top Packer:	3974.00 ft			Final 48000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	59.00 ft			
Tool Length:	86.00 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			3948.00	
Shut In Tool	5.00			3953.00	
Hydraulic tool	5.00			3958.00	
Jars	5.00			3963.00	
Safety Joint	2.00			3965.00	
Packer	5.00			3970.00	27.00 Bottom Of Top Packer
Packer	4.00			3974.00	
Stubb	1.00			3975.00	
Recorder	0.00	8360	Inside	3975.00	
Recorder	0.00	8322	Outside	3975.00	
Perforations	20.00			3995.00	
Change Over Sub	1.00			3996.00	
Drill Pipe	30.00			4026.00	
Change Over Sub	1.00			4027.00	
Perforations	3.00			4030.00	
Bullnose	3.00			4033.00	59.00 Bottom Packers & Anchor
Total Tool Length:	86.00				



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum Inc.

4-16s-28w Lane,KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45915

DST#: 3

ATTN: Ryan Seib

Test Start: 2012.07.06 @ 20:06:00

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: 37.00 sec/qt

Cushion Volume:

bbbl

Water Loss: 11.87 in³

Gas Cushion Type:

Resistivity: ohm.m

Gas Cushion Pressure:

psig

Salinity: 3200.00 ppm

Filter Cake: 1.00 inches

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
61.00	WGCM 5%w 6%g 89%m	0.856
61.00	GM 6%g 94%m with Skim of Oil	0.856
81.00	OGCM 1%oil 2%g 97%m	1.136

Total Length: 203.00 ft

Total Volume: 2.848 bbl

Num Fluid Samples: 0

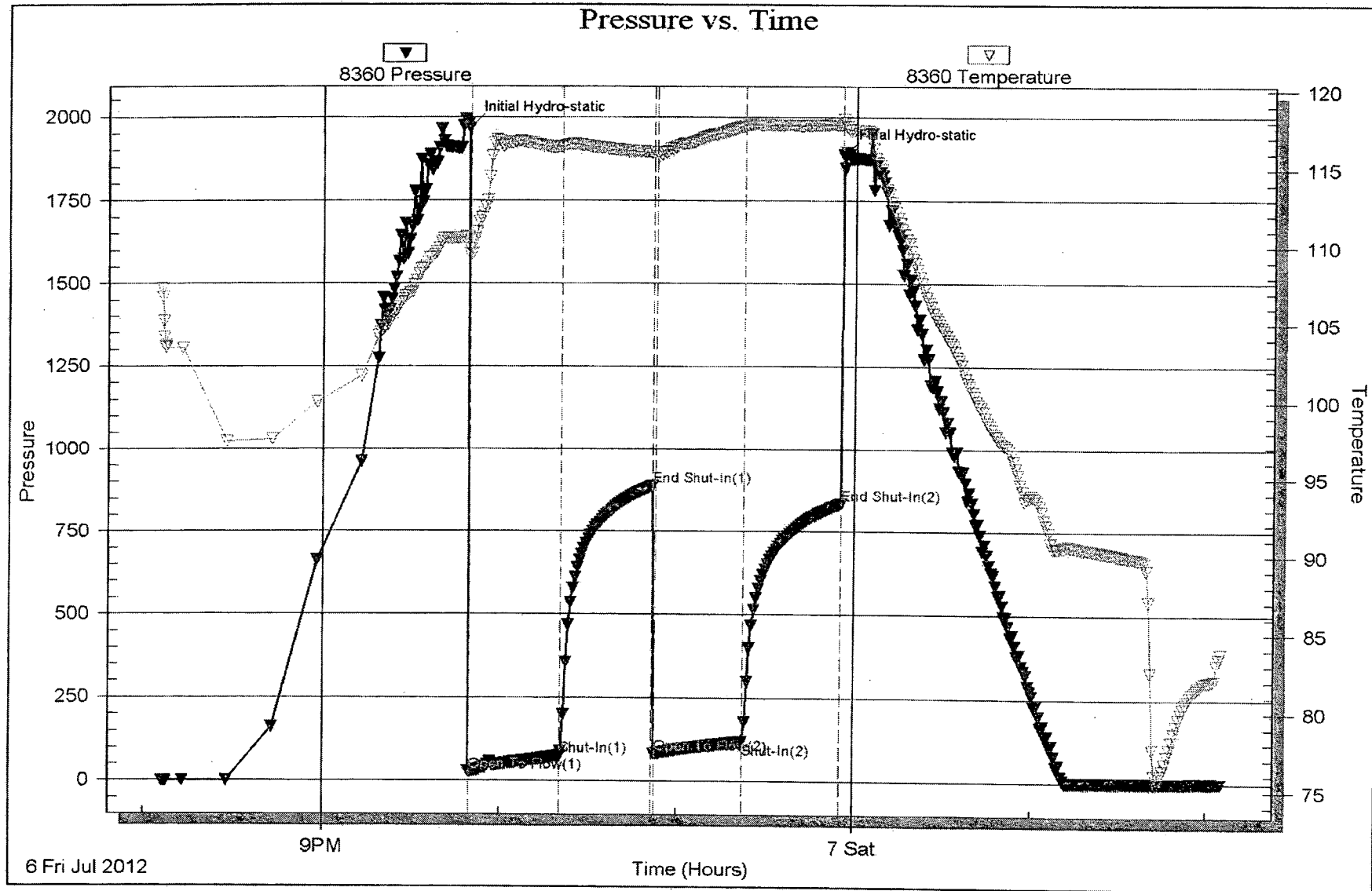
Num Gas Bombs: 0

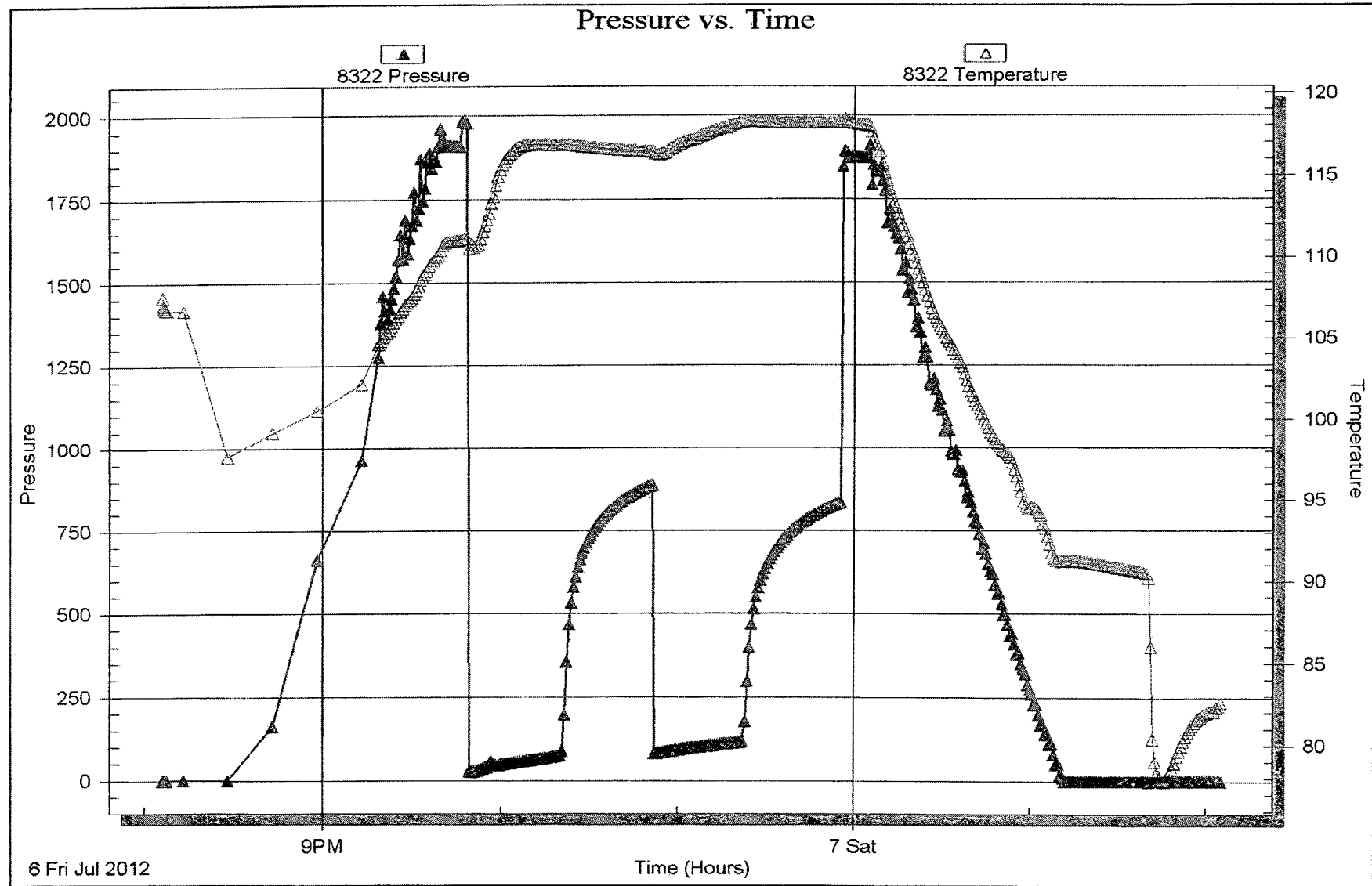
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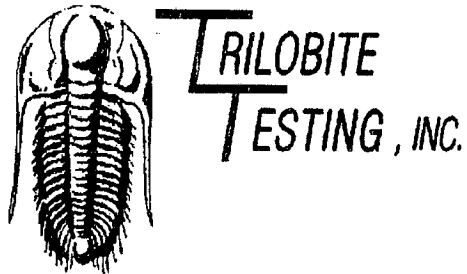
Laboratory Name:

Laboratory Location:

Recovery Comments:







DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Inc.**

4924 SE 84th St.
Newton KS 67114

ATTN: Ryan Seib

Shanline Trust #1

4-16s-28w Lane,KS

Start Date: 2012.07.07 @ 13:50:00

End Date: 2012.07.07 @ 20:33:09

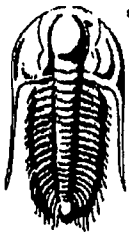
Job Ticket #: 45916 DST #: 4

Trilobite Testing, Inc

PO Box 362 Hays, KS 67601

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

Printed: 2012.07.19 @ 10:26:27



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

ATTN: Ryan Seib

Job Ticket: 45916

DST#: 4

Test Start: 2012.07.07 @ 13:50:00

GENERAL INFORMATION:

Formation: **Lansing**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 15:56:55

Time Test Ended: 20:33:09

Test Type: Conventional Bottom Hole (Reset)

Tester: Will MacLean

Unit No: 40

Interval: **4036.00 ft (KB) To 4110.00 ft (KB) (TVD)**

Total Depth: 4110.00 ft (KB) (TVD)

Hole Diameter: 7.88 inches Hole Condition: Good

Reference Elevations: 2595.00 ft (KB)

2585.00 ft (CF)

KB to GR/CF: 10.00 ft

Serial #: 8360

Inside

Press@RunDepth: 72.30 psig @ 4038.00 ft (KB)

Start Date: 2012.07.07

End Date:

2012.07.07

Capacity: 8000.00 psig

Last Calib.: 2012.07.07

Start Time: 13:50:00

End Time:

20:33:09

Time On Btm: 2012.07.07 @ 15:56:40

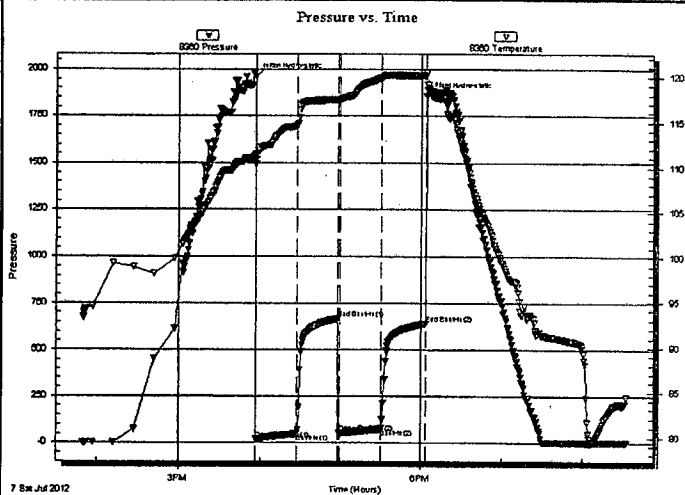
Time Off Btm: 2012.07.07 @ 18:03:55

TEST COMMENT: IF- Weak Surface Blow Built to 3"

IS- No Blow

FF- Weak Surface Blow Built to 1 1/2"

FS- No Blow



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1958.26	111.43	Initial Hydro-static
1	19.16	110.37	Open To Flow (1)
31	47.22	114.61	Shut-In(1)
62	664.62	117.45	End Shut-In(1)
63	50.77	117.41	Open To Flow (2)
93	72.30	119.84	Shut-In(2)
127	640.12	120.15	End Shut-In(2)
128	1854.25	120.54	Final Hydro-static

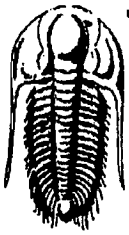
Recovery

Length (ft)	Description	Volume (bbl)
61.00	GWCM 3%g 12%w 85%m with Skim	0.86
55.00	WCM 2%w 98%m with Few Oil Spots	0.77

* Recovery from multiple tests

Gas Rates

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



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum Inc.

4-16s-28w Lane,KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45916

DST#:4

ATTN: Ryan Seib

Test Start: 2012.07.07 @ 13:50:00

Tool Information

Drill Pipe:	Length: 4016.00 ft	Diameter: 3.80 inches	Volume: 56.33 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: 24000.00 lb
Drill Collar:	Length: 0.00 ft	Diameter: 2.25 inches	Volume: 0.00 bbl	Weight to Pull Loose: 8000.00 lb
			<u>Total Volume: 56.33 bbl</u>	Tool Chased ft
Drill Pipe Above KB:	7.00 ft			String Weight: Initial 50000.00 lb
Depth to Top Packer:	4036.00 ft			Final 50000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	74.00 ft			
Tool Length:	101.00 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			4010.00	
Shut In Tool	5.00			4015.00	
Hydraulic tool	5.00			4020.00	
Jars	5.00			4025.00	
Safety Joint	2.00			4027.00	
Packer	5.00			4032.00	27.00 Bottom Of Top Packer
Packer	4.00			4036.00	
Stubb	1.00			4037.00	
Perforations	1.00			4038.00	
Recorder	0.00	8360	Inside	4038.00	
Recorder	0.00	8322	Outside	4038.00	
Perforations	5.00			4043.00	
Change Over Sub	1.00			4044.00	
Drill Pipe	62.00			4106.00	
Change Over Sub	1.00			4107.00	
Bullnose	3.00			4110.00	74.00 Bottom Packers & Anchor
Total Tool Length:	101.00				



TRILOBITE
TESTING, INC.

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45916

DST#: 4

ATTN: Ryan Seib

Test Start: 2012.07.07 @ 13:50:00

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:

31000 ppm

Viscosity: 42.00 sec/qt

Cushion Volume:

bbf

Water Loss: 11.90 in³

Gas Cushion Type:

Resistivity: ohm.m

Gas Cushion Pressure:

psig

Salinity: 3500.00 ppm

Filter Cake: 1.00 inches

Recovery Information

Recovery Table

Length ft	Description	Volume bbf
61.00	GWCM 3%g 12%w 85%m with Skim of Oil	0.856
55.00	WCM 2%w 98%m with Few Oil Spots	0.772

Total Length: 116.00 ft

Total Volume: 1.628 bbf

Num Fluid Samples: 0

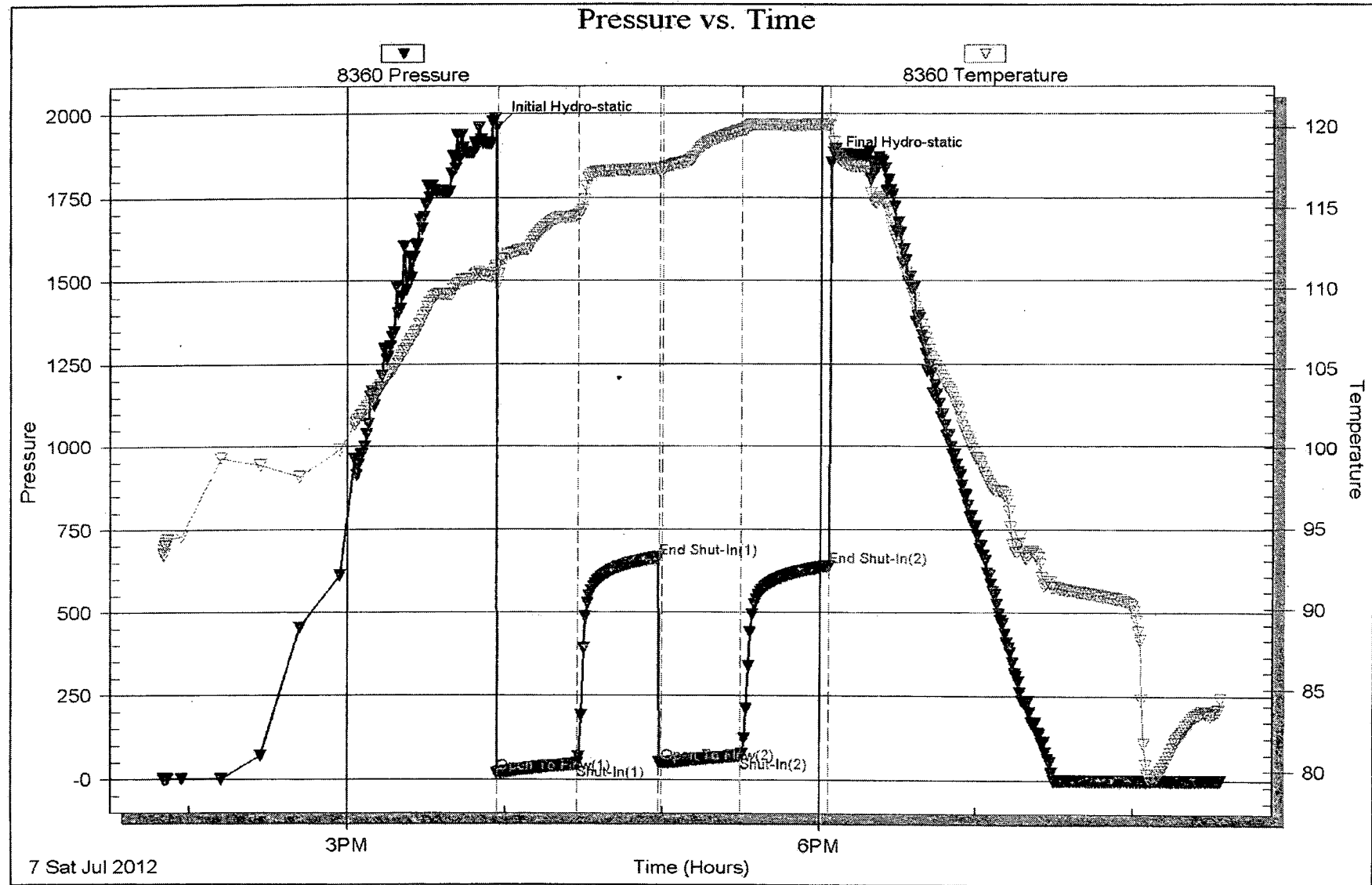
Num Gas Bombs: 0

Serial #:

Laboratory Name:

Laboratory Location:

Recovery Comments: RW is .183 @ 83f = 31000

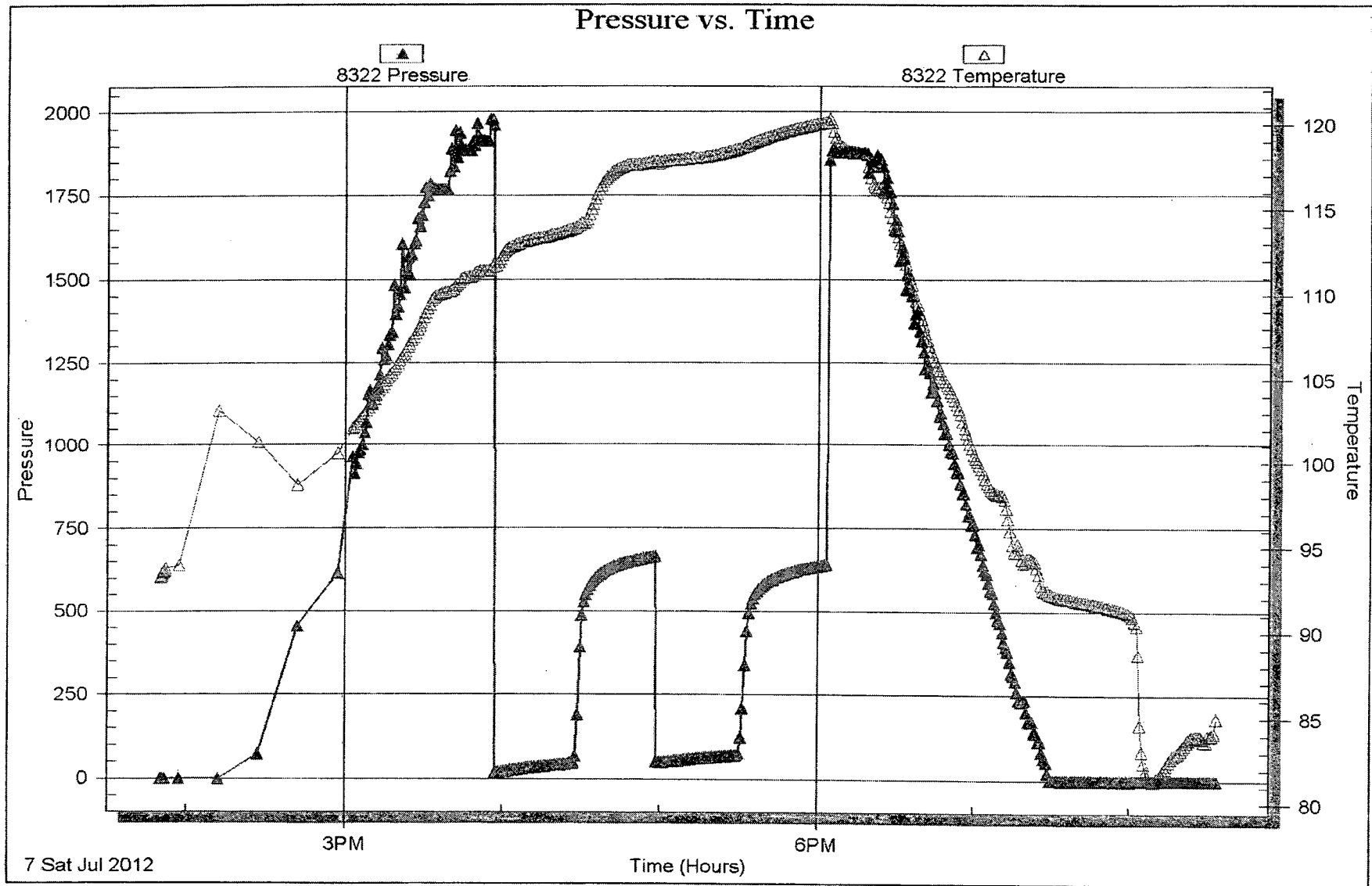


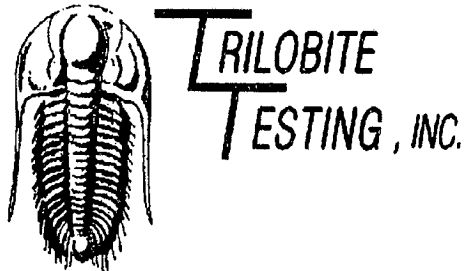
Serial #: 8322

Outside Palomino Petroleum Inc.

Shanline Trust #1

DST Test Number: 4





DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Inc.**

4924 SE 84th St.
Newton KS 67114

ATTN: Ryan Seib

Shanline Trust #1

4-16s-28w Lane,KS

Start Date: 2012.07.08 @ 10:46:05

End Date: 2012.07.08 @ 17:21:29

Job Ticket #: 45917 DST #: 5

Trilobite Testing, Inc

PO Box 362 Hays, KS 67601

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

Printed: 2012.07.19 @ 10:25:25



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45917

DST#: 5

ATTN: Ryan Seib

Test Start: 2012.07.08 @ 10:46:05

GENERAL INFORMATION:

Formation: **Marmaton / Pawnee**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 12:57:15

Time Test Ended: 17:21:29

Test Type: Conventional Bottom Hole (Reset)

Tester: Will MacLean

Unit No: 40

Interval: **4080.00 ft (KB) To 4235.00 ft (KB) (TVD)**

Total Depth: 4235.00 ft (KB) (TVD)

Hole Diameter: 7.88 inches Hole Condition: Good

Reference Elevations: 2595.00 ft (KB)

2585.00 ft (CF)

KB to GR/CF: 10.00 ft

Serial #: 8360 Inside

Press@RunDepth: 90.42 psig @ 4082.00 ft (KB)

Start Date: 2012.07.08

End Date:

2012.07.08

Start Time: 10:46:05

End Time:

17:21:29

Capacity: 8000.00 psig

Last Calib.: 2012.07.08

Time On Btm: 2012.07.08 @ 12:57:00

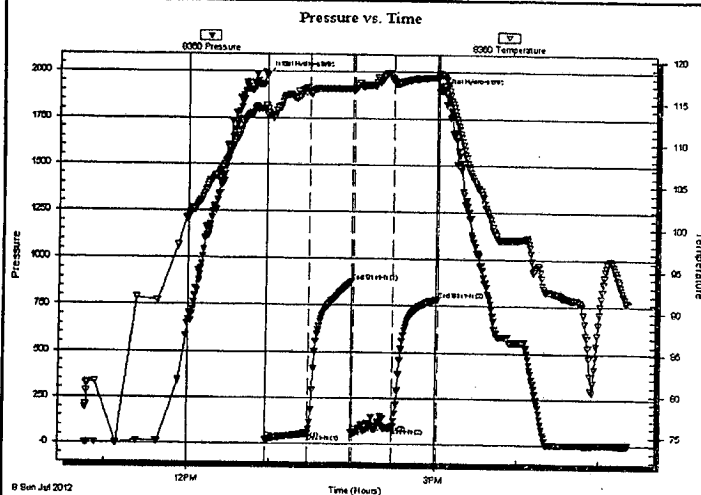
Time Off Btm: 2012.07.08 @ 15:01:30

TEST COMMENT: IF- Surface Blow Built to 6 1/4"

ISI- No Blow

FF- Weak Surface Blow Built to 3 1/4"

FSI- No Blow



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1982.53	114.09	Initial Hydro-static
1	22.02	113.36	Open To Flow (1)
31	55.47	116.22	Shut-In(1)
62	876.09	116.61	End Shut-In(1)
63	59.80	116.39	Open To Flow (2)
92	90.42	117.47	Shut-In(2)
125	783.90	118.02	End Shut-In(2)
125	1891.81	118.52	Final Hydro-static

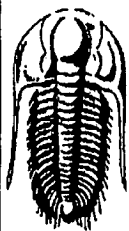
Recovery

Length (ft)	Description	Volume (bbl)
61.00	OGCM 1%oil 8%g 91%m	0.86
76.00	100% Mud with Oil Spots	1.07

* Recovery from multiple tests

Gas Rates

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



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum Inc.

4-16s-28w Lane,KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45917

DST#: 5

ATTN: Ryan Seib

Test Start: 2012.07.08 @ 10:46:05

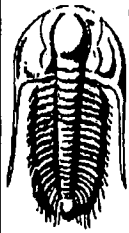
Tool Information

Drill Pipe:	Length: 4077.00 ft	Diameter: 3.80 inches	Volume: 57.19 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: 26000.00 lb
Drill Collar:	Length: 0.00 ft	Diameter: 2.25 inches	Volume: 0.00 bbl	Weight to Pull Loose: 20000.00 lb
			<u>Total Volume: 57.19 bbl</u>	Tool Chased ft
Drill Pipe Above KB:	24.00 ft			String Weight: Initial 52000.00 lb
Depth to Top Packer:	4080.00 ft			Final 52000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	155.00 ft			
Tool Length:	182.00 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			4054.00	
Shut In Tool	5.00			4059.00	
Hydraulic tool	5.00			4064.00	
Jars	5.00			4069.00	
Safety Joint	2.00			4071.00	
Packer	5.00			4076.00	27.00 Bottom Of Top Packer
Packer	4.00			4080.00	
Stubb	1.00			4081.00	
Perforations	1.00			4082.00	
Recorder	0.00	8360	Inside	4082.00	
Recorder	0.00	8322	Outside	4082.00	
Perforations	23.00			4105.00	
Change Over Sub	1.00			4106.00	
Drill Pipe	125.00			4231.00	
Change Over Sub	1.00			4232.00	
Bullnose	3.00			4235.00	155.00 Bottom Packers & Anchor
Total Tool Length:	182.00				



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45917

DST#: 5

ATTN: Ryan Seib

Test Start: 2012.07.08 @ 10:46:05

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: 37.00 sec/qt

Cushion Volume:

bbbl

Water Loss: 11.92 in³

Gas Cushion Type:

Resistivity: ohm.m

Gas Cushion Pressure:

psig

Salinity: 3500.00 ppm

Filter Cake: 1.00 inches

Recovery Information

Recovery Table

Length ft	Description	Volume bbbl
61.00	OGCM 1%oil 8%g 91%m	0.856
76.00	100% Mud with Oil Spots	1.066

Total Length: 137.00 ft

Total Volume: 1.922 bbl

Num Fluid Samples: 0

Num Gas Bombs: 0

Serial #:

Laboratory Name:

Laboratory Location:

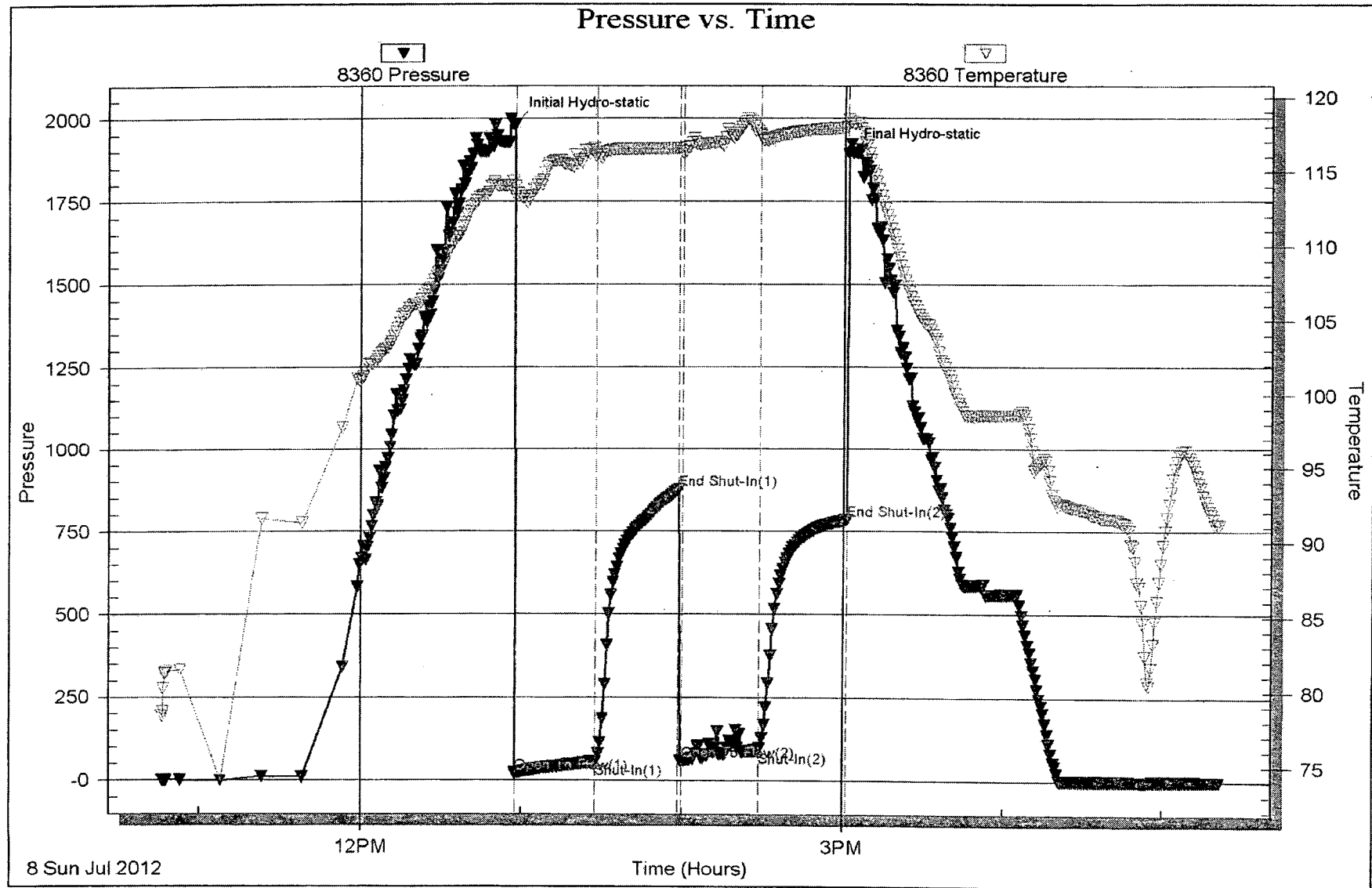
Recovery Comments:

Serial #: 8360

Inside Palomino Petroleum Inc.

Shanline Trust #1

DST Test Number: 5

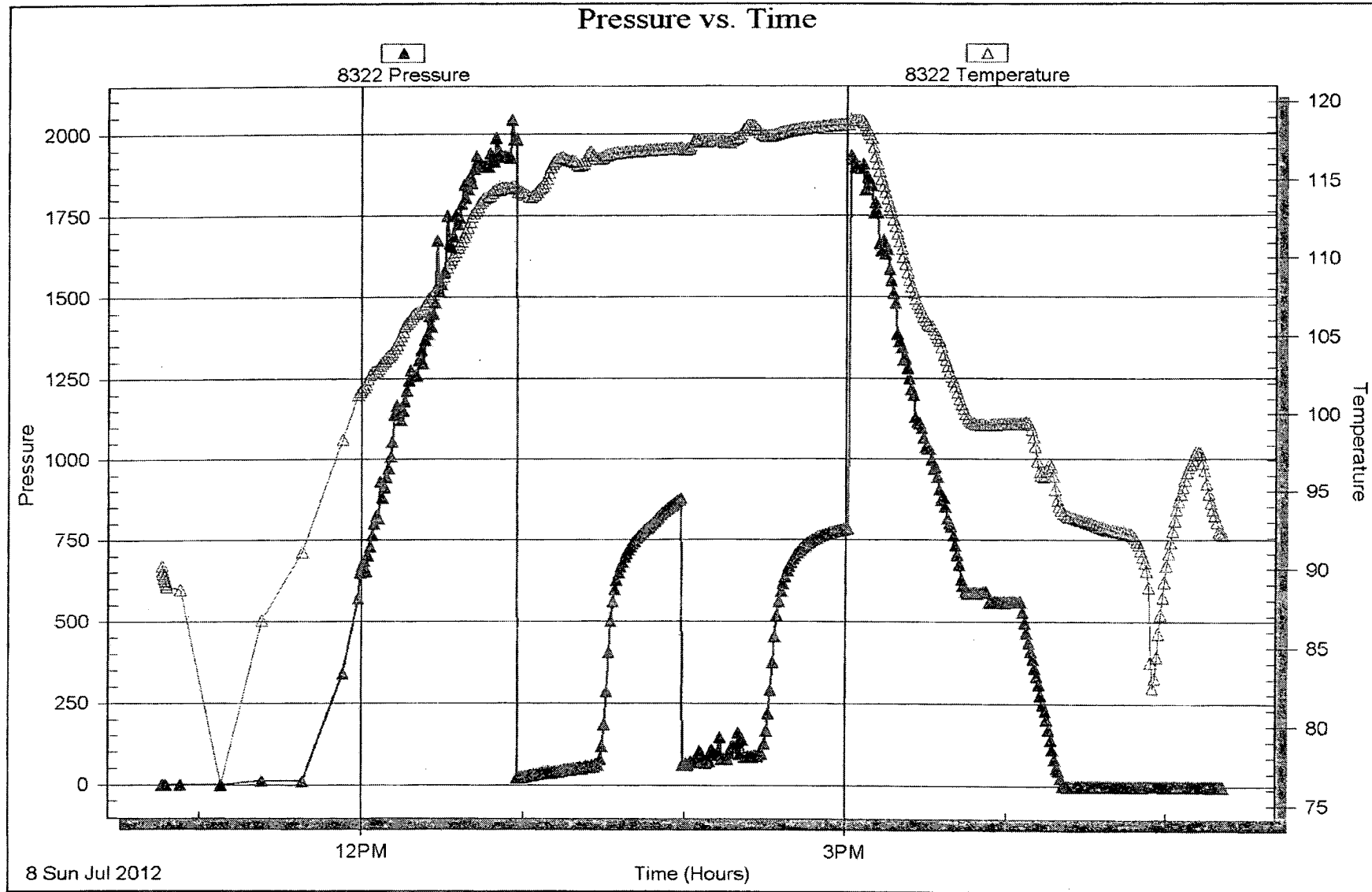


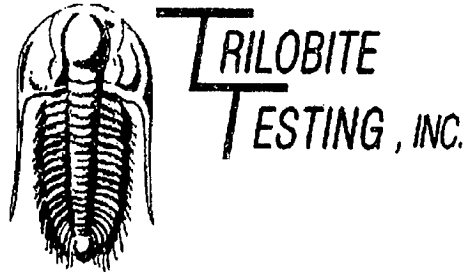
Serial #: 8322

Outside Palomino Petroleum Inc.

Shanline Trust #1

DST Test Number: 5





DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Inc.**

4924 SE 84th St.
Newton KS 67114

ATTN: Ryan Seib

Shanline Trust #1

4-16s-28w Lane,KS

Start Date: 2012.07.09 @ 05:42:00

End Date: 2012.07.09 @ 12:14:09

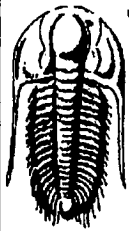
Job Ticket #: 45918 DST #: 6

Trilobite Testing, Inc

PO Box 362 Hays, KS 67601

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

Printed: 2012.07.19 @ 10:24:33



TRILOBITE TESTING, INC

DRILL STEM TEST REPORT

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45918

DST#: 6

ATTN: Ryan Seib

Test Start: 2012.07.09 @ 05:42:00

GENERAL INFORMATION:

Formation: **Ft. Scott**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 08:02:10

Time Test Ended: 12:14:09

Test Type: Conventional Bottom Hole (Reset)

Tester: Will MacLean

Unit No: 40

Interval: **4257.00 ft (KB) To 4320.00 ft (KB) (TVD)**

Total Depth: 4320.00 ft (KB) (TVD)

Hole Diameter: 7.88 inches Hole Condition: Good

Reference Elevations: 2595.00 ft (KB)

2585.00 ft (CF)

KB to GR/CF: 10.00 ft

Serial #: 8360

Inside

Press@RunDepth: 28.39 psig @ 4258.00 ft (KB)

Start Date: 2012.07.09

End Date:

2012.07.09

Start Time: 05:42:00

End Time:

12:14:09

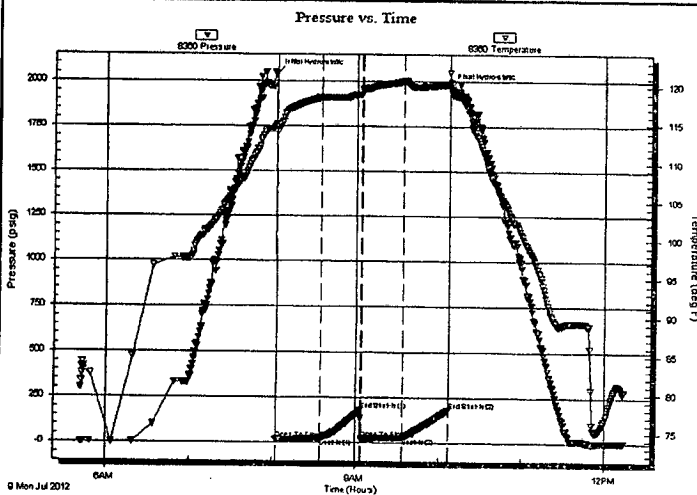
Capacity: 8000.00 psig

Last Calib.: 2012.07.09

Time On Btm: 2012.07.09 @ 08:01:55

Time Off Btm: 2012.07.09 @ 10:07:09

TEST COMMENT: IF- Surface Blow Built to BOB in 22 1/4 min
 IS- Weak Surface Blow in 5 1/2 min Built to 1 1/4"
 FF- Surface Blow Built to BOB in 8 1/2 min
 FS- Weak Surface Blow in 19 3/4 min



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2041.56	114.99	Initial Hydro-static
1	18.22	114.00	Open To Flow (1)
33	22.60	118.57	Shut-In(1)
62	180.72	118.94	End Shut-In(1)
62	22.78	119.57	Open To Flow (2)
92	28.39	120.70	Shut-In(2)
125	181.69	120.30	End Shut-In(2)
126	1970.89	121.82	Final Hydro-static

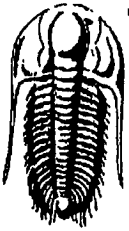
Recovery

Length (ft)	Description	Volume (bbl)
40.00	OWGCM 3%oil 3%w 9%g 85%m	0.56
0.00	386' of GIP	0.00

* Recovery from multiple tests

Gas Rates

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



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45918

DST#: 6

ATTN: Ryan Seib

Test Start: 2012.07.09 @ 05:42:00

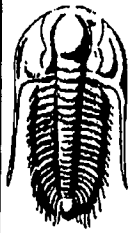
Tool Information

Drill Pipe:	Length: 4234.00 ft	Diameter: 3.80 inches	Volume: 59.39 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: 24000.00 lb
Drill Collar:	Length: 0.00 ft	Diameter: 2.25 inches	Volume: 0.00 bbl	Weight to Pull Loose: 16000.00 lb
			<u>Total Volume: 59.39 bbl</u>	Tool Chased: ft
Drill Pipe Above KB:	4.00 ft			String Weight: Initial 52000.00 lb
Depth to Top Packer:	4257.00 ft			Final 52000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	63.00 ft			
Tool Length:	90.00 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			4231.00	
Shut In Tool	5.00			4236.00	
Hydraulic tool	5.00			4241.00	
Jars	5.00			4246.00	
Safety Joint	2.00			4248.00	
Packer	5.00			4253.00	27.00 Bottom Of Top Packer
Packer	4.00			4257.00	
Stubb	1.00			4258.00	
Recorder	0.00	8360	Inside	4258.00	
Recorder	0.00	8322	Outside	4258.00	
Perforations	23.00			4281.00	
Change Over Sub	1.00			4282.00	
Drill Pipe	30.00			4312.00	
Change Over Sub	1.00			4313.00	
Perforations	4.00			4317.00	
Bullnose	3.00			4320.00	63.00 Bottom Packers & Anchor
Total Tool Length:	90.00				



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum Inc.

4-16s-28w Lane, KS

4924 SE 84th St.
New ton KS 67114

Shanline Trust #1

Job Ticket: 45918

DST#: 6

ATTN: Ryan Seib

Test Start: 2012.07.09 @ 05:42:00

Mud and Cushion Information

Mud Type: Gel Chem

Mud Weight: 9.00 lb/gal

Viscosity: 37.00 sec/qt

Water Loss: 11.94 in³

Resistivity: ohm.m

Salinity: 3500.00 ppm

Filter Cake: 1.00 inches

Cushion Type:

Cushion Length: ft

Cushion Volume: bbl

Gas Cushion Type:

Gas Cushion Pressure: psig

Oil API:

Water Salinity: deg API

ppm

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
40.00	OWGCM 3%oil 3%w 9%g 85%m	0.561
0.00	386' of GIP	0.000

Total Length: 40.00 ft Total Volume: 0.561 bbl

Num Fluid Samples: 0

Num Gas Bombs: 0

Serial #:

Laboratory Name:

Laboratory Location:

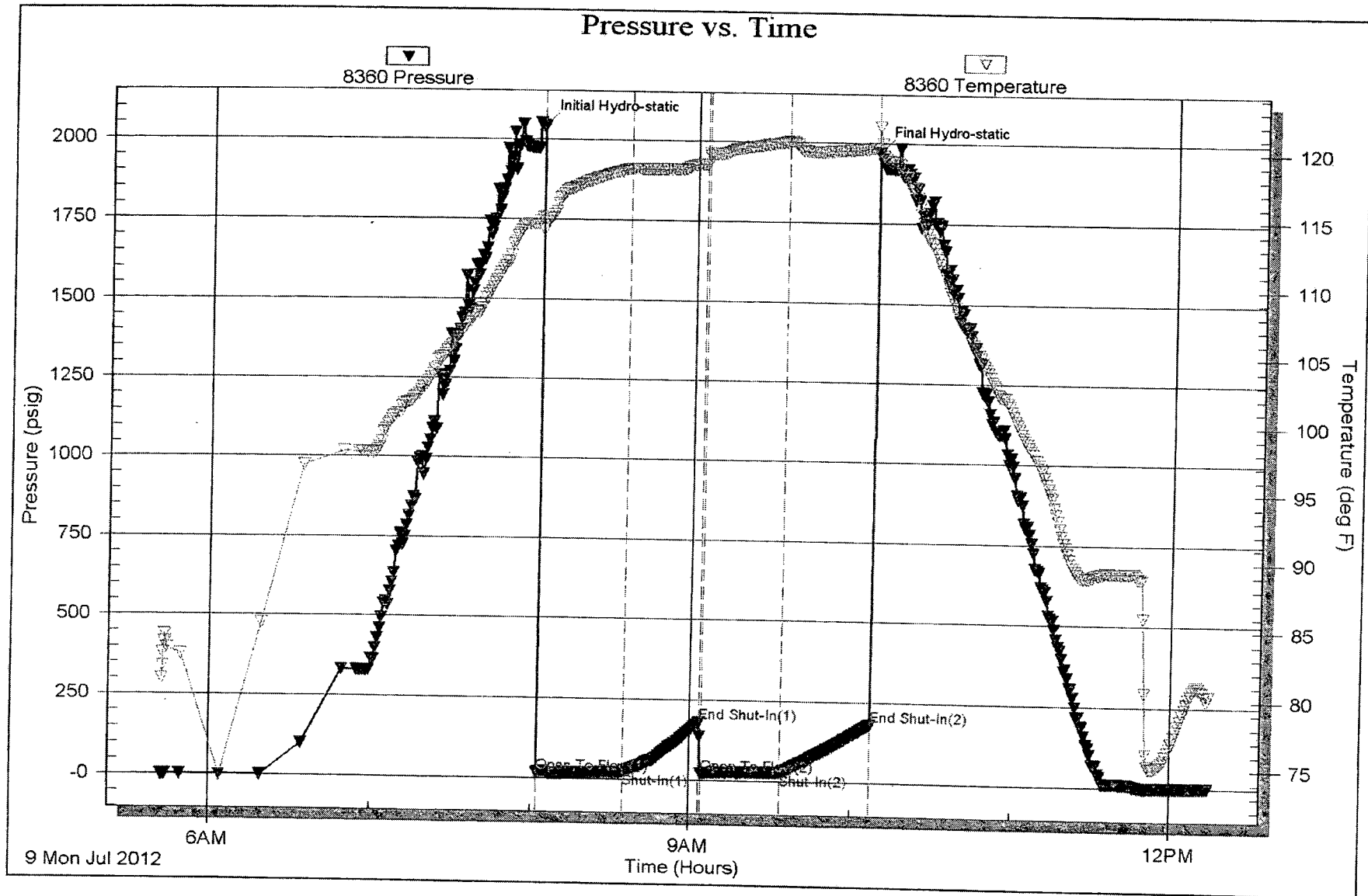
Recovery Comments:

Serial #: 8360

Inside Palomino Petroleum Inc.

Shanline Trust #1

DST Test Number: 6

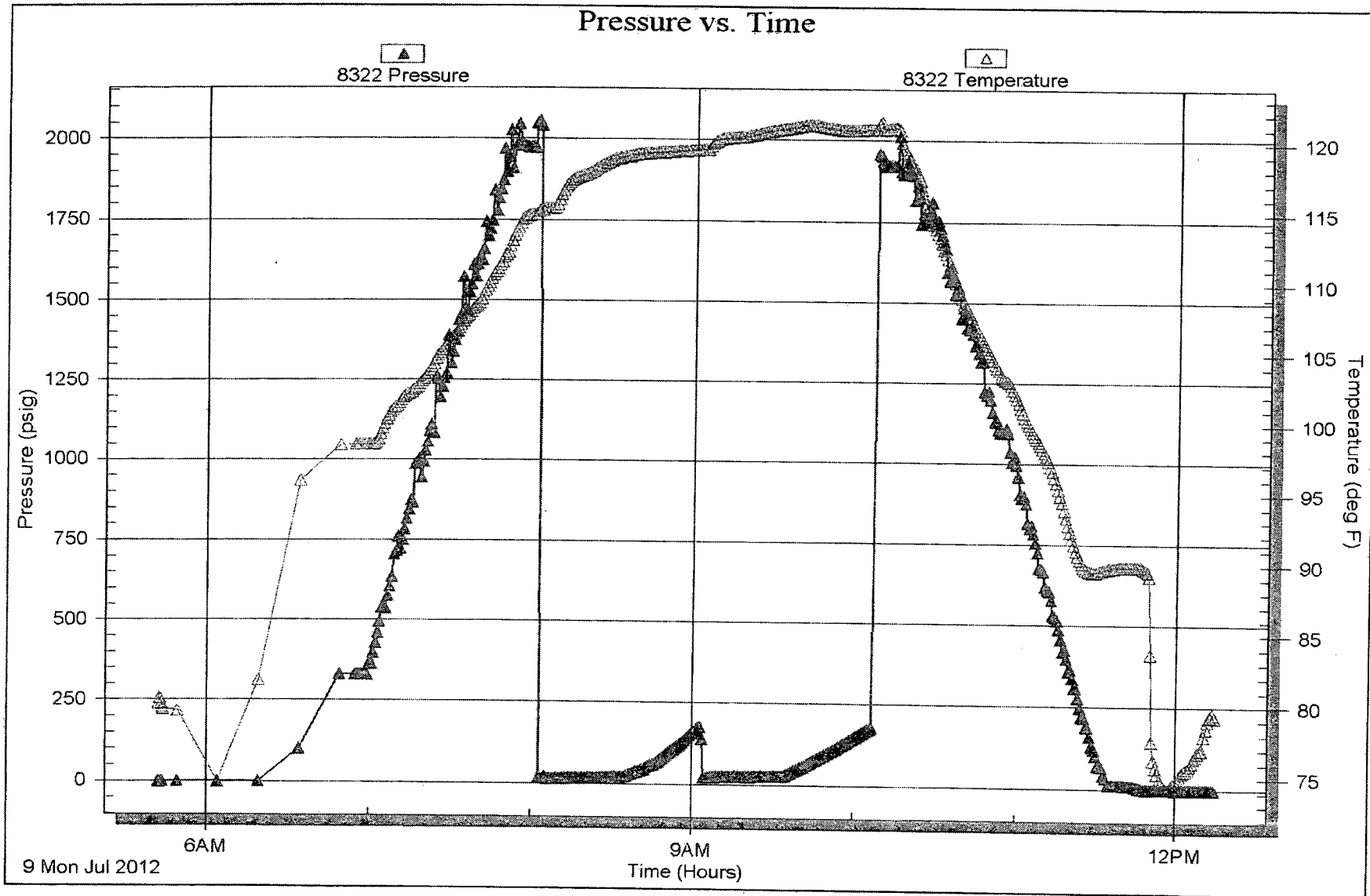


Serial #: 8322

Outside Palomino Petroleum Inc.

Shanline Trust #1

DST Test Number: 6





PO Box 93999
Southlake, TX 76092

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

INVOICE

RECEIVED
JUL 23 2012

Invoice Number: 131905
Invoice Date: Jul 10, 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	Shanline Trusts #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-03	Great Bend	Jul 10, 2012	8/9/12

Quantity	Item	Description	Unit Price	Amount
174.00	MAT	Class A Common	16.25	2,827.50
116.00	MAT	Pozmix	8.50	986.00
10.00	MAT	Gel	21.25	212.50
73.00	MAT	Flo Seal	2.70	197.10
311.50	SER	Cubic Feet	2.10	654.15
566.80	SER	Ton Mileage	2.35	1,331.98
1.00	SER	Plug to Abandon	1,250.00	1,250.00
40.00	SER	Pump Truck Mileage	7.00	280.00
40.00	SER	Light Vehicle Mileage	4.00	160.00
1.00	CEMENTER	LaRene Wentz		
1.00	EQUIP OPER	Kevin Eddy		
1.00	OPER ASSIST	Ethan Glassman		

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

\$1,974.80

ONLY IF PAID ON OR BEFORE
Aug 4, 2012

Subtotal	7,899.23
Sales Tax	497.65
Total Invoice Amount	8,396.88
Payment/Credit Applied	
TOTAL	8,396.88

ALLIED CEMENTING CO., LLC. 034516

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

SERVICE POINT:
Great Bend

DATE <u>9-10-12</u>	SEC. <u>4</u>	TWP. <u>16</u>	RANGE <u>28</u>	CALLED OUT	ON LOCATION <u>2:30pm</u>	JOB START <u>4:59pm</u>	JOB FINISH <u>5:13pm</u>
LEASE TRUSTS <u>Shanties</u>			WELL # <u>1</u>	LOCATION <u>Shields Laredo Rd. N70</u>		COUNTY <u>Lawrence</u>	STATE <u>KS</u>
OLD OR NEW (Circle one) <u>NEW</u>			Depth <u>1 1/2 E. 1/2 S. W1/4</u>		<u>1.03</u>	<u>6.3</u>	

CONTRACTOR <u>Job #7</u>	OWNER <u>Same</u>
TYPE OF JOB <u>PFA</u>	
HOLE SIZE <u>7 7/8</u> T.D. <u>4450</u>	CEMENT
CASING SIZE _____ DEPTH _____	AMOUNT ORDERED <u>290 sfs 60/40, 4 bags</u>
TUBING SIZE _____ DEPTH _____	<u>1/4" PLS seal</u>
DRILL PIPE <u>4 1/2</u> DEPTH <u>20601</u>	
TOOL _____ DEPTH _____	
PRES. MAX _____ MINIMUM _____	COMMON <u>174 sfs @ 16.25 2827.50</u>
MEAS. LINE _____ SHOE JOINT _____	POZMIX <u>116 sfs @ 8.56 986.00</u>
CEMENT LEFT IN CSG. _____	GEL <u>10 sfs @ 21.25 212.50</u>
PERFS. _____	CHLORIDE _____ @ _____
DISPLACEMENT <u>22.18 bbl</u>	ASC _____ @ _____

EQUIPMENT		
PUMP TRUCK CEMENTER <u>Hakene Wanta (O)</u>		<u>Placed 73 sfs @ 2.70 197.10</u>
# <u>366</u> HELPER <u>Kevin Eddy (OB)</u>		
BULK TRUCK		
# <u>376/1786</u> DRIVER <u>Ethan Glassman (O)</u>		
BULK TRUCK		
# _____ DRIVER _____		
	HANDLING <u>31.5 sfs @ 2.10 659.15</u>	
	MILEAGE <u>14.17 hours @ 40 566.80</u>	
		TOTAL <u>6,209.23</u>

REMARKS:
Mix 50 sfs 20601
Mix 80 sfs 13501
Mix 50 sfs 7001
Mix 40 sfs 2501
Mix 20 sfs 601
plug d.t. 20 sfs
plug R.t. 30 sfs

Thank you

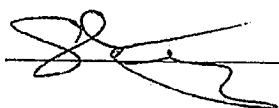
CHARGE TO: Palomino Petroleum
 STREET _____
 CITY _____ STATE _____ ZIP _____

SERVICE	
DEPTH OF JOB <u>20601</u>	
PUMP TRUCK CHARGE _____	<u>1250.00</u>
EXTRA FOOTAGE _____ @ _____	
MILEAGE <u>40</u> @ <u>7.00</u>	<u>280.00</u>
MANIFOLD _____ @ _____	
<u>40 mileage</u> <u>40</u> @ <u>4.00</u>	<u>160.00</u>
	TOTAL <u>1690.00</u>

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 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 James Schultz
 SIGNATURE 

SALES TAX (If Any) <u>26.05</u>	TOTAL _____
<u>492.65</u>	<u>497.65</u>
TOTAL CHARGES <u>7,899.23</u>	
DISCOUNT <u>25.98</u>	IF PAID IN 30 DAYS
	<u>5,924.42</u>



Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

KANSAS CORPORATION COMMISSION 1088626
 OIL & GAS CONSERVATION DIVISION
WELL PLUGGING RECORD
 K.A.R. 82-3-117

Form CP-4
 March 2009
 Type or Print on this Form
 Form must be Signed
 All blanks must be Filled

OPERATOR: License #: 30742
 Name: Palomino Petroleum, Inc.
 Address 1: 4924 SE 84TH ST
 Address 2: _____
 City: NEWTON State: KS Zip: 67114 + 8827
 Contact Person: Klee R. Watchous
 Phone: (316) 799-1000
 Type of Well: (Check one) Oil Well Gas Well OG D&A Cathodic
 Water Supply Well Other: _____ SWD Permit #: _____
 ENHR Permit #: _____ Gas Storage Permit #: _____
 Is ACO-1 filed? Yes No If not, is well log attached? Yes No
 Producing Formation(s): List All (If needed attach another sheet)
 _____ Depth to Top: _____ Bottom: _____ T.D. _____
 _____ Depth to Top: _____ Bottom: _____ T.D. _____
 _____ Depth to Top: _____ Bottom: _____ T.D. _____

API No. 15 - 15-101-22389-00-00
 Spot Description: _____
 NE NW SE SE Sec. 4 Twp. 16 S. R. 28 East West
1318 Feet from North / South Line of Section
896 Feet from East / West Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
 County: Lane
 Lease Name: Shanline Trusts Well #: 1
 Date Well Completed: 07/10/2012
 The plugging proposal was approved on: 07/10/2012 (Date)
 by: Ken Jehlic (KCC District Agent's Name)
 Plugging Commenced: 07/10/2012
 Plugging Completed: 07/10/2012

Show depth and thickness of all water, oil and gas formations.

Oil, Gas or Water Records		Casing Record (Surface, Conductor & Production)			
Formation	Content	Casing	Size	Setting Depth	Pulled Out
		Surface	8.6250	221	0

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Commenced plugging 7/10/2012: 1st plug @ 2060' with 50 sacks, 2nd plug @ 1350' with 80 sacks, 3rd plug @ 700' with 50 sacks, 4th plug @ 250' with 40 sacks, 5th plug @ 60' with 20 sacks, 20 sacks in mousehole and 30 sacks in rathole. Total of 290 sacks of 60/40 poz., 4% gel, 1/4# Floseal per sack. Plugging completed 7/10/2012 @ 5:30 p.m., by Allied Oil and Gas Services, L.L.C.

Plugging Contractor License #: 5822 Name: Val Energy, Inc.
 Address 1: 200 W DOUGLAS AVE STE 520 Address 2: _____
 City: WICHITA State: KS Zip: 67202 + 3005
 Phone: (316) 263-6688
 Name of Party Responsible for Plugging Fees: Palomino Petroleum, Inc.
 State of Kansas County, Harvey, ss.
Klee R. Watchous Employee of Operator or Operator on above-described well,
 (Print Name)

being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.

Submitted Electronically

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