



KANSAS CORPORATION COMMISSION 1097863  
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 # 33793  
Name: H2 Drilling LLC  
Wellsite Geologist: Ryan Seib  
Purchaser: NCRA

Designate Type of Completion:

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

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

Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_  
 Deepening     Re-perf.     Conv. to ENHR     Conv. to SWD  
 Conv. to GSW  
 Plug Back: \_\_\_\_\_ Plug Back Total Depth \_\_\_\_\_  
 Commingled    Permit #: \_\_\_\_\_  
 Dual Completion    Permit #: \_\_\_\_\_  
 SWD    Permit #: \_\_\_\_\_  
 ENHR    Permit #: \_\_\_\_\_  
 GSW    Permit #: \_\_\_\_\_  
8/31/2012    9/10/2012    9/27/2012  
Spud Date or    Date Reached TD    Completion Date or  
Recompletion Date       Recompletion Date

API No. 15 - 15-135-25469-00-00  
Spot Description: \_\_\_\_\_  
NE NE SE NE Sec. 28 Twp. 19 S. R. 25  East  West  
1582 Feet from  North /  South Line of Section  
258 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE     NW     SE     SW  
County: Ness  
Lease Name: Eggers-Horchem Well #: 1  
Field Name: Wildcat  
Producing Formation: Mississippian  
Elevation: Ground: 2499 Kelly Bushing: 2504  
Total Depth: 4650 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 213 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set: 1739 Feet  
If Alternate II completion, cement circulated from: 1739  
feet depth to: 0 w/ 130 sx cmt.

**Drilling Fluid Management Plan**

(Data must be collected from the Reserve Pit)

Chloride content: 0 ppm Fluid volume: 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: Deanna Garrison Date: 10/30/2012



1097863

Operator Name: Palomino Petroleum, Inc. Lease Name: Eggers-Horchem Well #: 1  
 Sec. 28 Twp. 19 S. R. 25  East  West County: Ness

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

|   |  |
|---|--|
| Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><i>(Attach Additional Sheets)</i><br><br>Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><br>Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>Electric Log Submitted Electronically <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><i>(If no, Submit Copy)</i><br><br>List All E. Logs Run:<br><br>Radiation Guard Log<br>Dual Cement Bond Log | <input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample<br><br>Name Top Datum<br>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                | 213           | Class A        | 165          | 3%cc 2%gel                  |
| Production  | 7.875             | 5.5                       | 14                | 4639          | SMD EA-2       | 195          | 500 gal mud flush 20bbl KCL |
|   |                   |                           |                   |               |                |              |                             |

| ADDITIONAL CEMENTING / SQUEEZE RECORD         |                  |                |              |                            |
|---|------------------|----------------|--------------|----------------------------|
| Purpose:                                      | Depth Top Bottom | Type of Cement | # Sacks Used | Type and Percent Additives |
| <input checked="" type="checkbox"/> Perforate |                  |                |              |                            |
| <input type="checkbox"/> Protect Casing       | -                |                |              |                            |
| <input type="checkbox"/> Plug Back TD         |                  |                |              |                            |
| <input type="checkbox"/> Plug Off Zone        | -                |                |              |                            |

| Shots Per Foot | PERFORATION RECORD - Bridge Plugs Set/Type<br>Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record<br><i>(Amount and Kind of Material Used)</i> | Depth |
|----------------|---|--|-------|
| 4              | 4552-4556   | 300 gals. MOD 202 with 2% solvent.   |       |
| 4              | 4542-4545   | 600 gal. MOD 202 with 2% m.s.  |       |
|                |   |  |       |
|                |   |  |       |

|   |  |
|---|--|
| TUBING RECORD: Size: <u>2.875</u> Set At: <u>4574.39</u> Packer At: <u> </u> Liner Run: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |  |
| Date of First, Resumed Production, SWD or ENHR.<br><u>10/11/2012</u>  | Producing Method:<br><input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i> <u> </u> |
| Estimated Production Per 24 Hours   | Oil Bbls. <u>45</u> Gas Mcf <u> </u> Water Bbls. <u>18</u> Gas-Oil Ratio <u> </u> Gravity <u> </u>   |

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

|           |                          |
|-----------|--------------------------|
| Form      | ACO1 - Well Completion   |
| Operator  | Palomino Petroleum, Inc. |
| Well Name | Eggers-Horchem 1         |
| Doc ID    | 1097863                  |

Tops

| Name         | Top  | Datum   |
|--------------|------|---------|
| Anhy.        | 1783 | (+721)  |
| Base Anhy.   | 1821 | (+683)  |
| Heebner      | 3876 | (-1372) |
| Lansing      | 3919 | (-1415) |
| BKC          | 4249 | (-1745) |
| Marmaton     | 4281 | (-1777) |
| Pawnee       | 4366 | (-1862) |
| Ft. Scott    | 4433 | (-1929) |
| Cherokee Sh. | 4459 | (-1955) |
| Miss. Dolo.  | 4558 | (-2054) |
| LTD          | 4649 | (-2145) |

RECEIVED

SEP 28 2012

**Invoice**

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



| DATE      | INVOICE # |
|-----------|-----------|
| 9/26/2012 | 22851     |

BILL TO

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

- Acidizing
- Cement
- Tool Rental

| TERMS                               | Well No.                                 | Lease          | County | Contractor           | Well Type | Well Category | Job Purpose  | Operator   |
|-------------------------------------|--|----------------|--------|----------------------|-----------|---------------|--------------|------------|
| Net 30                              | #1                                       | Eggars-Horc... | Ness   | Express Well Serv... | Oil       | Development   | Port Collar  | Nick       |
| PRICE REF.                          | DESCRIPTION                              |                |        |                      | QTY       | UM            | UNIT PRICE   | AMOUNT     |
| 575D                                | Mileage - 1 Way                          |                |        |                      | 20        | Miles         | 6.00         | 120.00     |
| 576D-D                              | Pump Charge - Port Collar - 1736 Feet    |                |        |                      | 1         | Job           | 1,250.00     | 1,250.00   |
| 288                                 | Sand (20/40 Brady)                       |                |        |                      | 2         | Sack(s)       | 22.00        | 44.00T     |
| 290                                 | D-Air                                    |                |        |                      | 2         | Gallon(s)     | 35.00        | 70.00T     |
| 330                                 | Swift Multi-Density Standard (MIDCON II) |                |        |                      | 130       | Sacks         | 16.50        | 2,145.00T  |
| 276                                 | Flocele                                  |                |        |                      | 50        | Lb(s)         | 2.00         | 100.00T    |
| 581D                                | Service Charge Cement                    |                |        |                      | 175       | Sacks         | 2.00         | 350.00     |
| 582D                                | Minimum Drayage Charge                   |                |        |                      | 1         | Each          | 250.00       | 250.00     |
|                                     | Subtotal                                 |                |        |                      |           |               |              | 4,329.00   |
|                                     | Sales Tax Ness County                    |                |        |                      |           |               | 6.30%        | 148.62     |
| <b>We Appreciate Your Business!</b> |  |                |        |                      |           |               | <b>Total</b> | \$4,477.62 |



CHARGE TO: Palomina Petroleum  
 ADDRESS:  
 CITY, STATE, ZIP CODE:

TICKET  
 N° 22851

PAGE 1 OF 1

SERVICE LOCATIONS  
 1. Hays, KS  
 2. Ness City, KS  
 3.  
 4.  
 REFERRAL LOCATION

WELL/PROJECT NO. #1  
 LEASE Eggars-Horschen  
 COUNTY/PARISH Ness  
 STATE KS  
 CITY

TICKET TYPE  
 SERVICE  
 SALES  
 CONTRACTOR Express Well Service  
 RIG NAME/NO.  
 SHIPPED VIA CT  
 DELIVERED TO Location  
 ORDER NO.

WELL TYPE oil  
 WELL CATEGORY development  
 JOB PURPOSE Port Collar  
 WELL PERMIT NO.  
 WELL LOCATION

DATE 9-26-12  
 OWNER Sam-e

INVOICE INSTRUCTIONS

| PRICE REFERENCE | SECONDARY REFERENCE/<br>PART NUMBER | ACCOUNTING |      |    | DESCRIPTION               | QTY. |     | U/M  |  | UNIT PRICE         | AMOUNT             |
|-----------------|-------------------------------------|------------|------|----|---------------------------|------|-----|------|--|--------------------|--------------------|
|                 |                                     | LOC        | ACCT | DF |                           |      |     |      |  |                    |                    |
| 575             |                                     | 1          |      |    | MILEAGE #111              | 20   | mi  |      |  | 6 <sup>00</sup>    | 120 <sup>00</sup>  |
| 576D            |                                     | 1          |      |    | Pump Charge (Port Collar) | 1    | ea  | 1736 |  | 1250 <sup>00</sup> | 1250 <sup>00</sup> |
| 288             |                                     | 1          |      |    | Sand 20% Brady            | 2    | skt |      |  | 22 <sup>00</sup>   | 44 <sup>00</sup>   |
| 290             |                                     | 1          |      |    | D-Air                     | 2    | gal |      |  | 35 <sup>00</sup>   | 70 <sup>00</sup>   |
| 330             |                                     | 2          |      |    | SMD Cement                | 130  | skt |      |  | 16 <sup>50</sup>   | 2145 <sup>00</sup> |
| 276             |                                     | 2          |      |    | Flasele                   | 50   | #   |      |  | 2 <sup>00</sup>    | 100 <sup>00</sup>  |
| 581             |                                     | 2          |      |    | Cement Service Charge     | 175  | skt |      |  | 2 <sup>00</sup>    | 350 <sup>00</sup>  |
| 582             |                                     | 2          |      |    | Minimum Drayage           | 1    | ea  |      |  | 250 <sup>00</sup>  | 250 <sup>00</sup>  |

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 Alan Winkler  
 DATE SIGNED 9-26-12 TIME SIGNED 1745  A.M.  P.M.

REMIT PAYMENT TO:

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

| SURVEY  | AGREE | UN-DECIDED | DIS-AGREE | PAGE TOTAL | AMOUNT             |
|---|-------|------------|-----------|------------|--------------------|
| OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?  |       |            |           | 4329       | 00                 |
| WE UNDERSTOOD AND MET YOUR NEEDS?   |       |            |           |            |                    |
| OUR SERVICE WAS PERFORMED WITHOUT DELAY?  |       |            |           |            |                    |
| WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?                        |       |            |           |            |                    |
| ARE YOU SATISFIED WITH OUR SERVICE?<br><input type="checkbox"/> YES <input type="checkbox"/> NO |       |            |           |            |                    |
| <input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND                                       |       |            |           | TOTAL      | 4477 <sup>62</sup> |

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

SWIFT OPERATOR Nick Kube APPROVAL

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 7-26-12 PAGE NO. 1

CUSTOMER Palomares Petroleum WELL NO. 47 LEASE Eggar-Harschen JOB TYPE Port Collar TICKET NO. 22851

| CHART NO. | TIME | RATE (BPM) | VOLUME (BBL) (GAL) | PUMPS |   | PRESSURE (PSI) |        | DESCRIPTION OF OPERATION AND MATERIALS |
|-----------|------|------------|--------------------|-------|---|----------------|--------|--|
|           |      |            |                    | T     | C | TUBING         | CASING |  |
|           | 1440 |            |                    |       |   |                |        | oaloo set up Trks                      |
|           |      |            |                    |       |   |                |        | 2 7/8" x 5 1/2"                        |
|           |      |            |                    |       |   |                |        | RBP 3070'                              |
|           |      |            |                    |       |   |                |        | Tbg to test & spot sand 1919'          |
|           |      |            |                    |       |   |                |        | P.C. 1236'                             |
|           | 1515 | 3          | 0                  |       |   |                |        | Load Hole                              |
|           | 1550 |            | 68                 |       |   |                | 1000   | Test Csg                               |
|           | 1555 | 3          | 0                  |       |   |                |        | Spot Sand                              |
|           |      |            | 9.5                |       |   |                |        | spotted                                |
|           |      |            |                    |       |   |                |        | Pull to P.C.                           |
|           |      |            |                    |       |   |                |        | Open P.C.                              |
|           | 1605 | 3.5        | 5                  |       |   |                | 400    | Take injection rate & check Blow       |
|           | 1610 | 3.5        | 0                  |       |   |                | 400    | Start Cement 130skts SMD               |
|           |      | 3.5        | 64                 |       |   |                | 200    | Fire cement / raise weight             |
|           |      | 3.5        | 69/0               |       |   |                | 200    | End Cement / start Displacement        |
|           | 1635 |            | 9                  |       |   |                | 250    | Cement Displaced                       |
|           |      |            |                    |       |   |                |        | Close P.C.                             |
|           | 1640 |            |                    |       |   |                | 1000   | Test Csg                               |
|           |      |            |                    |       |   |                |        | Ran 5, ts                              |
|           | 1650 | 3.5        | 0                  |       |   |                |        | Rev out                                |
|           | 1655 |            | 15                 |       |   |                |        | Hole Clear                             |
|           |      |            |                    |       |   |                |        | Ran to RBP                             |
|           | 1715 | 3.5        | 0                  |       |   |                |        | Circ sand off RBP                      |
|           | 1730 |            | 40                 |       |   |                |        | Hole Clear                             |
|           |      |            |                    |       |   |                |        | wash up Trk                            |
|           |      |            |                    |       |   |                |        | 130skts SMD                            |
|           |      |            |                    |       |   |                |        | circ 20skts stop it                    |
|           |      |            |                    |       |   |                |        | Thank you                              |
|           |      |            |                    |       |   |                |        | Nick, David & Doug                     |



**CONSOLIDATED**  
Oil Well Services, LLC

**REMIT TO**  
Consolidated Oil Well Services, LLC  
Dept. 970  
P.O. Box 4346  
Houston, TX 77210-4346

**MAIN OFFICE**  
P.O. Box 884  
Chanute, KS 66720  
620/431-9210 • 1-800/467-8676  
Fax 620/431-0012

INVOICE

Invoice # 252579

Invoice Date: 08/31/2012 Terms: 10/10/30,n/30

Page 1

PALOMINO PETROLEUM, INC.  
4924 SE 84TH STREET  
NEWTON KS 67114-8827  
( ) -

EGGERS-HORCHEM #1  
37087  
28-19-25  
08-31-2012  
KS

RECEIVED  
SEP 07 2012

| Part Number             | Description                 | Qty    | Unit Price | Total        |
|-------------------------|-----------------------------|--------|------------|--------------|
| 1104S                   | CLASS "A" CEMENT (SALE)     | 165.00 | 17.6500    | 2912.25      |
| 1118B                   | PREMIUM GEL / BENTONITE     | 310.00 | .2500      | 77.50        |
| 1102                    | CALCIUM CHLORIDE (50#)      | 465.00 | .8900      | 413.85       |
| <b>Sublet Performed</b> |                             |        |            | <b>Total</b> |
| 9996-130                | CEMENT MATERIAL DISCOUNT    |        |            | -340.36      |
| 9995-130                | CEMENT EQUIPMENT DISCOUNT   |        |            | -157.00      |
|                         | Description                 | Hours  | Unit Price | Total        |
| 460                     | MIN. BULK DELIVERY          | 1.00   | 410.00     | 410.00       |
| 463                     | CEMENT PUMP (SURFACE)       | 1.00   | 1085.00    | 1085.00      |
| 463                     | EQUIPMENT MILEAGE (ONE WAY) | 15.00  | 5.00       | 75.00        |

Amount Due 5188.02 if paid after 09/30/2012

|        |         |           |     |         |         |    |         |
|--------|---------|-----------|-----|---------|---------|----|---------|
| Parts: | 3403.60 | Freight:  | .00 | Tax:    | 192.98  | AR | 4669.22 |
| Labor: | .00     | Misc:     | .00 | Total:  | 4669.22 |    |         |
| Sublt: | -497.36 | Supplies: | .00 | Change: | .00     |    |         |

Signed \_\_\_\_\_

Date \_\_\_\_\_

BARTLESVILLE, OK  
918/338-0808

EL DORADO, KS  
316/322-7022

EUREKA, KS  
620/583-7664

PONCA CITY, OK  
580/762-2303

OAKLEY, KS  
785/672-2227

OTTAWA, KS  
785/242-4044

THAYER, KS  
620/839-5269

GILLETTE, WY  
307/686-4914



**CONSOLIDATED**  
Oil Well Services, LLC

TICKET NUMBER 37087  
LOCATION Oakley  
FOREMAN Fuzzy

PO Box 884, Chanute, KS 66720  
620-431-9210 or 800-467-8676

**FIELD TICKET & TREATMENT REPORT**  
**CEMENT**

KS

| DATE                           | CUSTOMER # | WELL NAME & NUMBER   | SECTION | TOWNSHIP | RANGE      | COUNTY |
|--------------------------------|------------|----------------------|---------|----------|------------|--------|
| 8-31-12                        | 6285       | Eggetts - Horchom #1 | 28      | 19S      | 25W        | Wess   |
| CUSTOMER<br>Palomino Petroleum |            |                      | TRUCK # | DRIVER   | TRUCK #    | DRIVER |
| MAILING ADDRESS                |            |                      | 463     | COM D    |            |        |
| CITY STATE ZIP CODE            |            |                      | 460     | Bobby S  | ←          |        |
|                                |            |                      |         | Travis W | Ride Along |        |

JOB TYPE Surface HOLE SIZE 12 1/4 HOLE DEPTH 225' CASING SIZE & WEIGHT 85/8  
 CASING DEPTH 222' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 14.7 SLURRY VOL 1.36 WATER gal/sk 6.5 CEMENT LEFT in CASING 20'  
 DISPLACEMENT 12.8 DISPLACEMENT PSI \_\_\_\_\_ MIX PSI \_\_\_\_\_ RATE \_\_\_\_\_  
 REMARKS: Safety meeting on H2S Rig up and circulate  
mix 16SSKS Class A' 390cc 290gal Displace 12 3/4 BBL  
and shot in. Cement did circulate approx BBL to pit

Thanks Fuzzy & crew

| ACCOUNT CODE | QUANTITY or UNITS | DESCRIPTION of SERVICES or PRODUCT | UNIT PRICE         | TOTAL              |
|--------------|-------------------|------------------------------------|--------------------|--------------------|
| 5405         | 1                 | PUMP CHARGE                        | 1085 <sup>00</sup> | 1085 <sup>00</sup> |
| 5406         | 15                | MILEAGE                            | 5 <sup>00</sup>    | 75 <sup>00</sup>   |
| 5407         | 7.840W            | Tow mileage Delivery               | 410 <sup>00</sup>  | 410 <sup>00</sup>  |
| 11045        | 1655KS            | Class A' cement                    | 17 62              | 2912 25            |
| 1118 B       | 310 #             | Bentonite                          | .25                | 77 50              |
| 1102         | 465 #             | Calcium Chloride                   | .89                | 413 85             |
|              |                   | sub total                          |                    | 4973 60            |
|              |                   | less 1090                          |                    | 497 30             |
|              |                   | sub total                          |                    | 4476 39            |
|              |                   | SALES TAX                          |                    | 192.98             |
|              |                   | ESTIMATED TOTAL                    |                    | 4669.22            |

*[Handwritten signature]*

**Completed!**

AUTHORIZATION \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

I acknowledge that the payment terms, unless specifically amended in writing on the front of the form or in the customer's account records, at our office, and conditions of service on the back of this form are in effect for services identified on this form

AKA79

Revin 3737





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



RECEIVED  
SEP 11 2012

# Invoice

| DATE      | INVOICE # |
|-----------|-----------|
| 9/10/2012 | 23279     |

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

- Acidizing
- Cement
- Tool Rental

| TERMS                               | Well No.                                 | Lease          | County | Contractor     | Well Type | Well Category | Job Purpose        | Operator    |
|-------------------------------------|--|----------------|--------|----------------|-----------|---------------|--------------------|-------------|
| Net 30                              | #1                                       | Eggers-Horc... | Ness   | H2 Plains, LLC | Oil       | Development   | Cement LongStri... | Blaine      |
| PRICE REF.                          | DESCRIPTION                              |                |        |                | QTY       | UM            | UNIT PRICE         | AMOUNT      |
| 575D                                | Mileage - 1 Way                          |                |        |                | 20        | Miles         | 6.00               | 120.00      |
| 578D-L                              | Pump Charge - Long String                |                |        |                | 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                       |                |        |                | 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     |
| 330                                 | Swift Multi-Density Standard (MIDCON II) |                |        |                | 125       | Sacks         | 16.50              | 2,062.50T   |
| 325                                 | Standard Cement                          |                |        |                | 100       | Sacks         | 13.50              | 1,350.00T   |
| 284                                 | Calseal                                  |                |        |                | 5         | Sack(s)       | 35.00              | 175.00T     |
| 283                                 | Salt                                     |                |        |                | 500       | Lb(s)         | 0.20               | 100.00T     |
| 285                                 | CFR-1                                    |                |        |                | 50        | Lb(s)         | 4.00               | 200.00T     |
| 276                                 | Flocele                                  |                |        |                | 50        | Lb(s)         | 2.00               | 100.00T     |
| 281                                 | Mud Flush                                |                |        |                | 500       | Gallon(s)     | 1.25               | 625.00T     |
| 221                                 | Liquid KCL (Clayfix)                     |                |        |                | 4         | Gallon(s)     | 25.00              | 100.00T     |
| 290                                 | D-Air                                    |                |        |                | 2         | Gallon(s)     | 35.00              | 70.00T      |
| 581D                                | Service Charge Cement                    |                |        |                | 225       | Sacks         | 2.00               | 450.00      |
| 583D                                | Drayage                                  |                |        |                | 268.64    | Ton Miles     | 1.00               | 268.64      |
|                                     | Subtotal                                 |                |        |                |           |               |                    | 11,751.14   |
|                                     | Sales Tax Ness County                    |                |        |                |           |               | 6.30%              | 592.99      |
| <b>We Appreciate Your Business!</b> |  |                |        |                |           |               | <b>Total</b>       | \$12,344.13 |



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

TICKET No 23279

PAGE 1 OF 2

SERVICE LOCATIONS: 1. Midway - KS  
 WELL/PROJECT NO: 1 LEASE: Eggers-Horchem COUNTY/PARISH: Ness STATE: KS CITY: Laired DATE: 10/5/92 OWNER:  
 2. TICKET TYPE:  SERVICE  SALES CONTRACTOR: #7 RIG NAME/NO.: 3 SHIPPED VIA: CT DELIVERED TO: location ORDER NO.:  
 3. WELL TYPE: Oil WELL CATEGORY: Development JOB PURPOSE: cement long string WELL PERMIT NO.: WELL LOCATION: 28-195-25W  
 4. REFERRAL LOCATION: INVOICE INSTRUCTIONS:

| PRICE REFERENCE | SECONDARY REFERENCE/<br>PART NUMBER | ACCOUNTING |      |    | DESCRIPTION                    | QTY.  |    | U/M |    | UNIT PRICE | AMOUNT  |
|-----------------|-------------------------------------|------------|------|----|--------------------------------|-------|----|-----|----|------------|---------|
|                 |                                     | LOC        | ACCT | DF |                                |       |    |     |    |            |         |
| 575             |                                     | 1          |      |    | MILEAGE                        | 20    | mi |     |    | 6.00       | 120.00  |
| 578             |                                     | 1          |      |    | Pump Charge                    | 1     | ea |     |    | 1500.00    | 1500.00 |
| 402             |                                     | 1          |      |    | Centralizer                    | 5 1/2 | in | 1   | ea | 70.00      | 70.00   |
| 403             |                                     | 1          |      |    | Cement Basket                  | 5 1/2 | in | 3   | ea | 250.00     | 750.00  |
| 404             |                                     | 1          |      |    | Port Collar                    | 5 1/2 | in | 1   | ea | 2400.00    | 2400.00 |
| 406             |                                     | 1          |      |    | Latch down plug & baffle       | 5 1/2 | in | 1   | ea | 250.00     | 250.00  |
| 407             |                                     | 1          |      |    | Insert float shoe w/ AUTO FILL | 5 1/2 | in | 1   | ea | 350.00     | 350.00  |
| 409             |                                     | 1          |      |    | Turbolizer                     | 5 1/2 | in | 9   | ea | 90.00      | 810.00  |

**LEGAL TERMS:** Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.  
 MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS  
 X  
 DATE SIGNED: TIME SIGNED:  A.M.  P.M.

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

| SURVEY  | AGREE | UN-DECIDED | DIS-AGREE |                | AMOUNT    |
|---|-------|------------|-----------|----------------|-----------|
| OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?  |       |            |           | PAGE TOTAL 1   | 6250.00   |
| WE UNDERSTOOD AND MET YOUR NEEDS?   |       |            |           | 2              | 5501.14   |
| OUR SERVICE WAS PERFORMED WITHOUT DELAY?  |       |            |           | subtotal       | 11,751.14 |
| WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?                        |       |            |           | 7.55% TAX 6.3% | 592.99    |
| ARE YOU SATISFIED WITH OUR SERVICE?<br><input type="checkbox"/> YES <input type="checkbox"/> NO |       |            |           | TOTAL          | 12,344.13 |
| <input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND                                       |       |            |           |                |           |

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



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

TICKET CONTINUATION

TICKET No. **23279**

CUSTOMER **Palomino Petroleum** WELL **Eggers-Horchem 1** DATE **10 SEP 12** PAGE **2** OF **2**

| PRICE REFERENCE | SECONDARY REFERENCE/ PART NUMBER | ACCOUNTING |      |    | TIME | DESCRIPTION                                    | QTY.               |                         | U/M              | UNIT PRICE | AMOUNT  |        |
|-----------------|----------------------------------|------------|------|----|------|--|--------------------|-------------------------|------------------|------------|---------|--------|
|                 |                                  | LOC        | ACCT | DF |      |  | QTY.               | U/M                     |                  |            |         |        |
| 330             |                                  | 1          |      |    |      | SMD cement                                     | 125                | sk                      |                  | 16.50      | 2062.50 |        |
| 325             |                                  | 1          |      |    |      | Starchel cement (FOR GA-2)                     | 100                | sk                      |                  | 13.50      | 1350.00 |        |
| 284             |                                  | 1          |      |    |      | Calseal  | 500                | lb                      | 5                | sk         | 35.00   | 175.00 |
| 283             |                                  | 1          |      |    |      | salt   | 500                | lb                      |                  | 0.20       | 100.00  |        |
| 285             |                                  | 1          |      |    |      | CFR-1  | 50                 | lb                      |                  | 4.00       | 200.00  |        |
| 276             |                                  | 1          |      |    |      | Floccle  | 50                 | lb                      |                  | 2.00       | 100.00  |        |
| 281             |                                  | 1          |      |    |      | mudflush                                       | 500                | gal                     |                  | 1.25       | 625.00  |        |
| 221             |                                  | 1          |      |    |      | KCL liquid                                     | 4                  | gal                     |                  | 25.00      | 100.00  |        |
| 290             |                                  | 1          |      |    |      | D-AIR  | 2                  | gal                     |                  | 35.00      | 70.00   |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
|                 |                                  |            |      |    |      |  |                    |                         |                  |            |         |        |
| 581             |                                  | 1          |      |    |      | SERVICE CHARGE                                 |                    |                         |                  | 2.00       | 4.50.00 |        |
| 583             |                                  | 1          |      |    |      | MILEAGE CHARGE<br>TOTAL WEIGHT<br>LOADED MILES | 225<br>26864<br>20 | CUBIC FEET<br>TON MILES | 268.64<br>268.64 | 1.00       | 268.64  |        |

CONTINUATION TOTAL **5501.14**

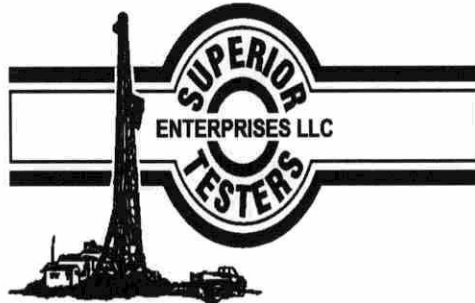
JOB LOG

SWIFT Services, Inc.

DATE 10/28/12 PAGE NO.

CUSTOMER Palomino Petroleum WELL NO. 1 LEASE Eggers Horchem JOB TYPE count long string TICKET NO. 23279

| CHART NO. | TIME | RATE (BPM)                         | VOLUME (BBL) (GAL) | PUMPS |   | PRESSURE (PSI) |        | DESCRIPTION OF OPERATION AND MATERIALS  |
|-----------|------|------------------------------------|--------------------|-------|---|----------------|--------|---|
|           |      |                                    |                    | T     | C | TUBING         | CASING |   |
|           |      |                                    |                    |       |   |                |        | 125 sk SMD cement w/ 4# floccle<br>100 sk EA-2 cement w/ 1/2# floccle<br>RTD - 4650' 110jt 5 1/2 14# casing<br>set 4639' 9' off bottom shoe 30.61'<br>Control van 1, 2, 3, 4, 5, 6, 7, 8, 10, 68<br>Basket 3, 6, 69 PORT COLLAR #69 1739' |
|           | 0000 |                                    |                    |       |   |                |        | on loc TRK 114  |
|           | 0130 |                                    |                    |       |   |                |        | start 5 1/2 14# casing in well  |
|           | 0350 |                                    |                    |       |   |                |        | circulate - Drop ball   |
|           | 0450 | 4 3/4<br>4 3/4                     | 12<br>20           |       |   | 200<br>200     |        | Pump 500 gal mud flush<br>Pump 20 bbl KCL flush   |
|           | 0455 |                                    | 10                 |       |   |                |        | Plug RH - <del>30sk</del>   |
|           | 0500 | 4 3/4<br><del>6 3/4</del><br>4 3/4 | 35<br>24           |       |   | 200<br>200     |        | mix SMD cement <del>95sk</del> @ 12.7ppg<br>mix EA-2 cement <del>100sk</del> @ 15.3ppg  |
|           | 0515 |                                    |                    |       |   |                |        | Drop latch down plug<br>wash out pump & line  |
|           | 0518 | 6 3/4<br>6 3/4                     | 100                |       |   | 200<br>1000    |        | Displace plug   |
|           | 0530 | 6 3/4                              | 113                |       |   | 1700           |        | Land plug   |
|           |      |                                    |                    |       |   |                |        | Release pressure to truck - dried up  |
|           | 0535 |                                    |                    |       |   |                |        | wash truck  |
|           |      |                                    |                    |       |   |                |        | Rack up   |
|           | 0600 |                                    |                    |       |   |                |        | job complete<br>flunks<br>ISAAC, Dave & Blaine  |



## DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Incorporated**

4924 Southeast 84th Street  
Newton, Kansas 67114+8827

ATTN: Ryan Seib

### **Eggers-Horchem #1**

#### **28/19S/25W/Ness**

Start Date: 2012.09.06 @ 10:05:00

End Date: 2012.09.06 @ 17:10:00

Job Ticket #: 17826                      DST #: 1

Superior Testers Enterprises LLC  
PO Box 138 Great Bend KS 67530  
1-800-792-6902

Printed: 2012.09.06 @ 17:22:43



# DRILL STEM TEST REPORT

Palomino Petroleum Incorporated

**28/19S/25W/Ness**

4924 Southeast 84th Street  
New ton, Kansas 67114+8827

**Eggers-Horchem #1**

Job Ticket: 17826

**DST#: 1**

ATTN: Ryan Seib

Test Start: 2012.09.06 @ 10:05:00

## GENERAL INFORMATION:

Formation: **Marmaton**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 12:15:30

Time Test Ended: 17:10:00

Test Type: Conventional Bottom Hole (Initial)

Tester: Ken Swinney

Unit No: 3325 Scott City/110

Interval: **4270.00 ft (KB) To 4360.00 ft (KB) (TVD)**

Reference Elevations: 2507.00 ft (KB)

Total Depth: 4360.00 ft (KB) (TVD)

2495.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Fair

KB to GR/CF: 12.00 ft

**Serial #: 6749** Inside

Press@RunDepth: 80.84 psia @ 4355.90 ft (KB)

Capacity: 5000.00 psia

Start Date: 2012.09.06

End Date: 2012.09.06

Last Calib.: 2012.09.06

Start Time: 10:05:00

End Time: 17:10:00

Time On Btm: 2012.09.06 @ 12:13:30

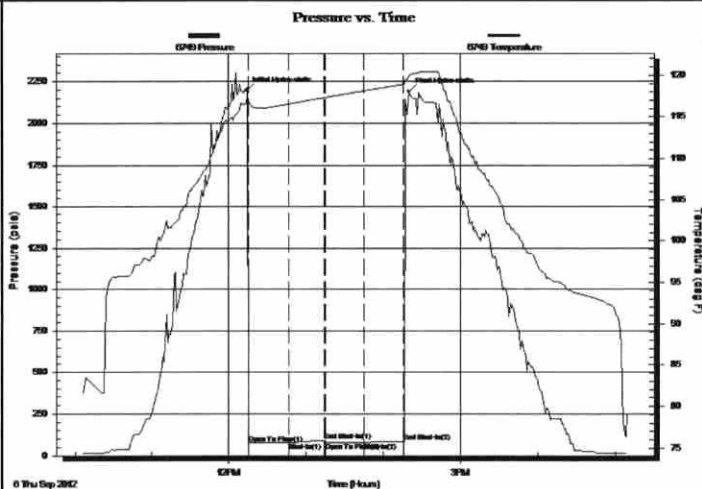
Time Off Btm: 2012.09.06 @ 14:20:00

TEST COMMENT: 1ST Open 30 Minutes/Weak blow/Surface blow did not build/Blow died in 15 minutes

1ST Shut In 30 Minutes/No blow back

2ND Open 30 Minutes/Dead/No blow

2ND Shut In 30 Minutes/No blow back



## PRESSURE SUMMARY

| Time (Min.) | Pressure (psia) | Temp (deg F) | Annotation           |
|-------------|-----------------|--------------|----------------------|
| 0           | 2194.64         | 116.71       | Initial Hydro-static |
| 2           | 75.26           | 116.94       | Open To Flow (1)     |
| 34          | 77.80           | 116.57       | Shut-In(1)           |
| 61          | 92.03           | 117.34       | End Shut-In(1)       |
| 62          | 80.30           | 117.35       | Open To Flow (2)     |
| 92          | 80.84           | 118.14       | Shut-In(2)           |
| 123         | 86.51           | 118.90       | End Shut-In(2)       |
| 127         | 2189.81         | 119.88       | Final Hydro-static   |

## Recovery

| Length (ft) | Description             | Volume (bbl) |
|-------------|-------------------------|--------------|
| 5.00        | Lightly oil spotted mud | 0.02         |
| 0.00        | Oil 1% Mud 99%          | 0.00         |
|             |                         |              |
|             |                         |              |
|             |                         |              |

## Gas Rates

| Choke (inches) | Pressure (psia) | Gas Rate (Mcf/d) |
|----------------|-----------------|------------------|
|                |                 |                  |



# DRILL STEM TEST REPORT

Palomino Petroleum Incorporated  
 4924 Southeast 84th Street  
 Newton, Kansas 67114+8827  
 ATTN: Ryan Seib

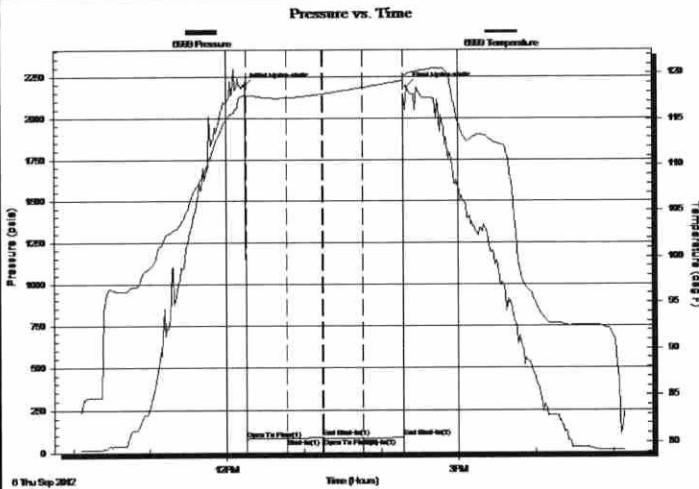
**28/19S/25W/Ness**  
**Eggers-Horchem #1**  
 Job Ticket: 17826      **DST#: 1**  
 Test Start: 2012.09.06 @ 10:05:00

## GENERAL INFORMATION:

Formation: **Marmaton**  
 Deviated: No      Whipstock:      ft (KB)  
 Time Tool Opened: 12:15:30  
 Time Test Ended: 17:10:00  
 Test Type: Conventional Bottom Hole (Initial)  
 Tester: Ken Swinney  
 Unit No: 3325 Scott City/110  
 Interval: **4270.00 ft (KB) To 4360.00 ft (KB) (TVD)**  
 Total Depth: 4360.00 ft (KB) (TVD)  
 Reference Elevations: 2507.00 ft (KB)  
 2495.00 ft (CF)  
 Hole Diameter: 7.88 inches      Hole Condition: Fair      KB to GR/CF: 12.00 ft

**Serial #: 6999      Outside**  
 Press@RunDepth: 87.11 psia @ 4356.90 ft (KB)      Capacity: 5000.00 psia  
 Start Date: 2012.09.06      End Date: 2012.09.06      Last Calib.: 2012.09.06  
 Start Time: 10:05:00      End Time: 17:10:00      Time On Btm: 2012.09.06 @ 12:13:30  
 Time Off Btm: 2012.09.06 @ 14:20:00

**TEST COMMENT:** 1ST Open      30 Minutes/Weak blow/Surface blow did not build/Blow died in 15 minutes  
 1ST Shut In      30 Minutes/No blow back  
 2ND Open      30 Minutes/Dead/No blow  
 2ND Shut In      30 Minutes/No blow back



## PRESSURE SUMMARY

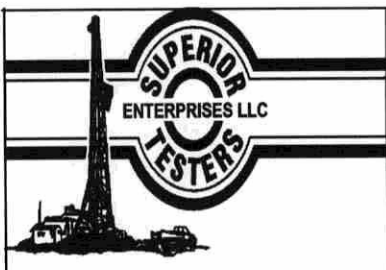
| Time (Min.) | Pressure (psia) | Temp (deg F) | Annotation           |
|-------------|-----------------|--------------|----------------------|
| 0           | 2193.24         | 117.61       | Initial Hydro-static |
| 2           | 80.27           | 117.47       | Open To Flow (1)     |
| 34          | 82.41           | 117.34       | Shut-In(1)           |
| 61          | 89.86           | 117.78       | End Shut-In(1)       |
| 62          | 85.05           | 117.79       | Open To Flow (2)     |
| 93          | 85.00           | 118.48       | Shut-In(2)           |
| 124         | 87.11           | 119.20       | End Shut-In(2)       |
| 127         | 2189.94         | 119.96       | Final Hydro-static   |

## Recovery

| Length (ft) | Description             | Volume (bbl) |
|-------------|-------------------------|--------------|
| 5.00        | Lightly oil spotted mud | 0.02         |
| 0.00        | Oil 1% Mud 99%          | 0.00         |
|             |                         |              |
|             |                         |              |
|             |                         |              |

## Gas Rates

|  | Choke (inches) | Pressure (psia) | Gas Rate (Mcf/d) |
|--|----------------|-----------------|------------------|
|  |                |                 |                  |



# DRILL STEM TEST REPORT

**TOOL DIAGRAM**

Palomino Petroleum Incorporated

**28/19S/25W/Ness**

4924 Southeast 84th Street  
New ton, Kansas 67114+8827

**Eggers-Horchem #1**

Job Ticket: 17826

**DST#: 1**

ATTN: Ryan Seib

Test Start: 2012.09.06 @ 10:05:00

**Tool Information**

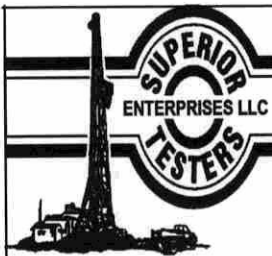
|                           |                    |                       |                                |                                    |
|---------------------------|--------------------|-----------------------|--------------------------------|------------------------------------|
| Drill Pipe:               | Length: 3963.00 ft | Diameter: 3.80 inches | Volume: 55.59 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: 20000.00 lb  |
| Drill Collar:             | Length: 300.00 ft  | Diameter: 2.25 inches | Volume: 1.48 bbl               | Weight to Pull Loose: 90000.00 lb  |
|                           |                    |                       | <u>Total Volume: 57.07 bbl</u> | Tool Chased 0.00 ft                |
| Drill Pipe Above KB:      | 20.00 ft           |                       |                                | String Weight: Initial 65000.00 lb |
| Depth to Top Packer:      | 4270.00 ft         |                       |                                | Final 65000.00 lb                  |
| Depth to Bottom Packer:   | ft                 |                       |                                |                                    |
| Interval between Packers: | 89.90 ft           |                       |                                |                                    |
| Tool Length:              | 116.90 ft          |                       |                                |                                    |
| Number of Packers:        | 2                  | Diameter: 6.75 inches |                                |                                    |

Tool Comments:

| Tool Description | Length (ft) | Serial No. | Position | Depth (ft) | Accum. Lengths                |
|------------------|-------------|------------|----------|------------|-------------------------------|
| Shut In Tool     | 5.00        |            |          | 4248.00    |                               |
| Hydraulic Tool   | 5.00        |            |          | 4253.00    |                               |
| Jars             | 5.00        |            |          | 4258.00    |                               |
| Safety Joint     | 2.00        |            |          | 4260.00    |                               |
| Packer           | 5.00        |            |          | 4265.00    | 27.00 Bottom Of Top Packer    |
| Packer           | 5.00        |            |          | 4270.00    |                               |
| Perforations     | 5.00        |            |          | 4275.00    |                               |
| Change Over Sub  | 0.75        |            |          | 4275.75    |                               |
| Drill Pipe       | 63.40       |            |          | 4339.15    |                               |
| Change Over Sub  | 0.75        |            |          | 4339.90    |                               |
| Anchor           | 15.00       |            |          | 4354.90    |                               |
| Recorder         | 1.00        | 6749       | Inside   | 4355.90    |                               |
| Recorder         | 1.00        | 6999       | Outside  | 4356.90    |                               |
| Bullnose         | 3.00        |            |          | 4359.90    | 89.90 Bottom Packers & Anchor |

**Total Tool Length: 116.90**





# DRILL STEM TEST REPORT

## FLUID SUMMARY

Palomino Petroleum Incorporated

**28/19S/25W/Ness**

4924 Southeast 84th Street  
New ton, Kansas 67114+8827

**Eggers-Horchem #1**

Job Ticket: 17826

**DST#: 1**

ATTN: Ryan Seib

Test Start: 2012.09.06 @ 10:05:00

### Mud and Cushion Information

Mud Type: Gel Chem  
Mud Weight: 10.00 lb/gal  
Viscosity: 58.00 sec/qt  
Water Loss: 7.50 in<sup>3</sup>  
Resistivity: ohm.m  
Salinity: 2800.00 ppm  
Filter Cake: 1.00 inches

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

Oil API: deg API  
Water Salinity: ppm

### Recovery Information

Recovery Table

| Length<br>ft | Description             | Volume<br>bbl |
|--------------|-------------------------|---------------|
| 5.00         | Lightly oil spotted mud | 0.025         |
| 0.00         | Oil 1% Mud 99%          | 0.000         |

Total Length: 5.00 ft      Total Volume: 0.025 bbl

Num Fluid Samples: 0

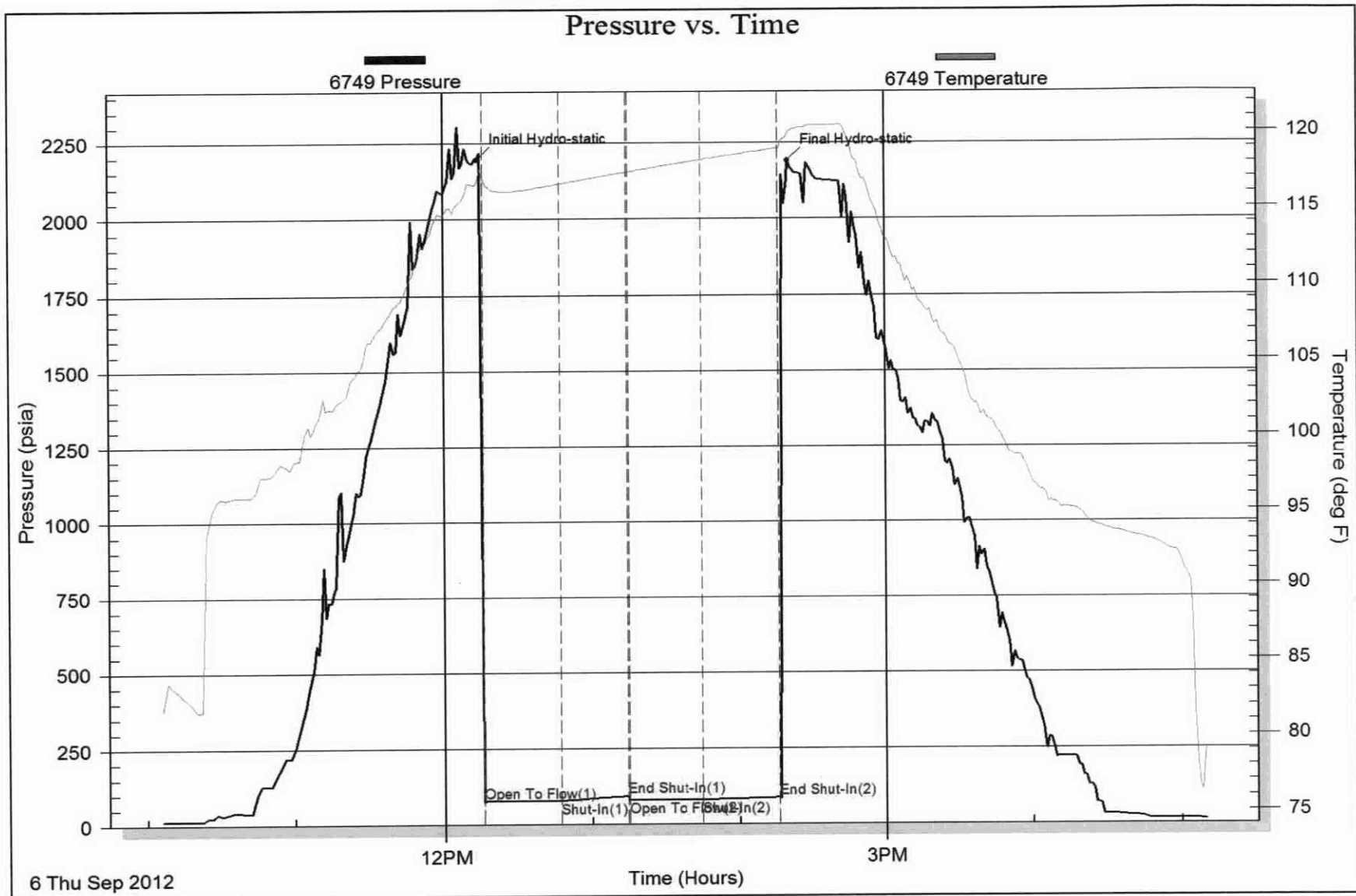
Num Gas Bombs: 0

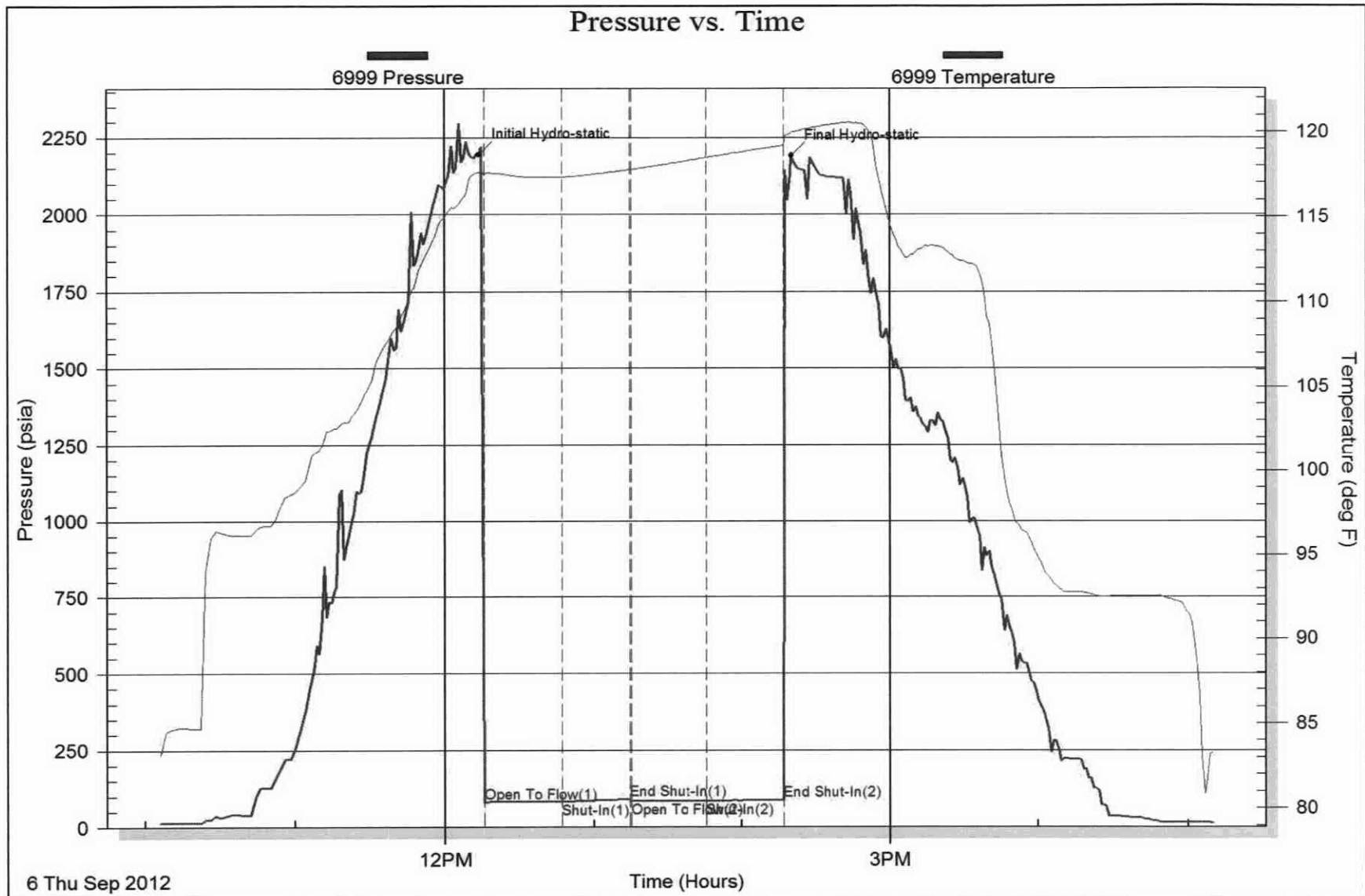
Serial #:

Laboratory Name:

Laboratory Location:

Recovery Comments:







## DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Incorporated**

4924 Southeast 84th Street  
Newton, Kansas 67114+8827

ATTN: Ryan Seib

### **Eggers-Horchem #1**

#### **28/19S/25W/Ness**

Start Date: 2012.09.07 @ 14:25:00

End Date: 2012.09.07 @ 23:10:30

Job Ticket #: 17827                      DST #: 2

Superior Testers Enterprises LLC  
PO Box 138 Great Bend KS 67530  
1-800-792-6902

Printed: 2012.09.07 @ 23:37:31

Palomino Petroleum Incorporated

28/19S/25W/Ness

Eggers-Horchem #1

DST # 2

Mississippi

2012.09.07



# DRILL STEM TEST REPORT

Palomino Petroleum Incorporated  
 4924 Southeast 84th Street  
 New ton, Kansas 67114+8827  
 ATTN: Ryan Seib

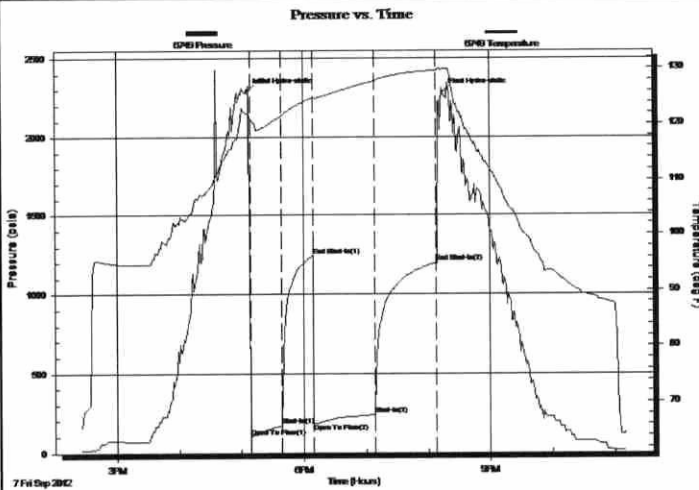
**28/19S/25W/Ness**  
**Eggers-Horchem #1**  
 Job Ticket: 17827      **DST#: 2**  
 Test Start: 2012.09.07 @ 14:25:00

## GENERAL INFORMATION:

Formation: **Mississippi**  
 Deviated: No Whipstock:      ft (KB)  
 Test Type: Conventional Bottom Hole (Initial)  
 Time Tool Opened: 17:08:30      Tester: Ken Swinney  
 Time Test Ended: 23:10:30      Unit No: 3325 Scott City/110  
 Interval: **4450.00 ft (KB) To 4558.00 ft (KB) (TVD)**      Reference Elevations: 2507.00 ft (KB)  
 Total Depth: 4558.00 ft (KB) (TVD)      2495.00 ft (CF)  
 Hole Diameter: 7.88 inches      Hole Condition: Fair      KB to GR/CF: 12.00 ft

**Serial #: 6749      Inside**  
 Press@RunDepth: 239.74 psia @ 4553.90 ft (KB)      Capacity: 5000.00 psia  
 Start Date: 2012.09.07      End Date: 2012.09.07      Last Calib.: 2012.09.07  
 Start Time: 14:25:00      End Time: 23:10:30      Time On Btm: 2012.09.07 @ 17:06:00  
 Time Off Btm: 2012.09.07 @ 20:14:30

**TEST COMMENT:** 1ST Open      30 Minutes/Fair blow /Blow built to 7 1/2 inches in bucket of water  
 1ST Shut In      30 Minutes/No blow back  
 2ND Open      60 Minutes/Fair blow /Blow built to 10 inches in bucket of water  
 2ND Shut In      60 Minutes/Slight surface blow back



## PRESSURE SUMMARY

| Time (Min.) | Pressure (psia) | Temp (deg F) | Annotation           |
|-------------|-----------------|--------------|----------------------|
| 0           | 2290.60         | 121.89       | Initial Hydro-static |
| 3           | 102.95          | 120.88       | Open To Flow (1)     |
| 33          | 170.66          | 121.34       | Shut-In(1)           |
| 63          | 1243.02         | 124.70       | End Shut-In(1)       |
| 64          | 182.70          | 124.33       | Open To Flow (2)     |
| 122         | 239.74          | 127.68       | Shut-In(2)           |
| 182         | 1199.92         | 129.58       | End Shut-In(2)       |
| 189         | 2284.45         | 129.85       | Final Hydro-static   |

## Recovery

| Length (ft) | Description                     | Volume (bbl) |
|-------------|---------------------------------|--------------|
| 305.00      | Oily Mud                        | 1.55         |
| 0.00        | Oil 20% Mud 80%                 | 0.00         |
| 50.00       | Gassy Oil                       | 0.70         |
| 0.00        | Gas 10% Oil 90%                 | 0.00         |
| 0.00        | 60 feet Gas in pipe 100%        | 0.00         |
| 0.00        | Corrected Specific Grav. Oil 37 | 0.00         |

## Gas Rates

| Choke (inches) | Pressure (psia) | Gas Rate (Mcf/d) |
|----------------|-----------------|------------------|
|                |                 |                  |



# DRILL STEM TEST REPORT

Palomino Petroleum Incorporated

28/19S/25W/Ness

4924 Southeast 84th Street  
New ton, Kansas 67114+8827

Eggers-Horchem #1

Job Ticket: 17827

DST#: 2

ATTN: Ryan Seib

Test Start: 2012.09.07 @ 14:25:00

## GENERAL INFORMATION:

Formation: **Mississippi**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 17:08:30

Time Test Ended: 23:10:30

Test Type: Conventional Bottom Hole (Initial)

Tester: Ken Swinney

Unit No: 3325 Scott City/110

Interval: **4450.00 ft (KB) To 4558.00 ft (KB) (TVD)**

Reference Elevations: 2507.00 ft (KB)

Total Depth: 4558.00 ft (KB) (TVD)

2495.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Fair

KB to GR/CF: 12.00 ft

Serial #: 6999 Outside

Press@RunDepth: 1199.06 psia @ 4554.90 ft (KB)

Capacity: 5000.00 psia

Start Date: 2012.09.07

End Date: 2012.09.07

Last Calib.: 2012.09.07

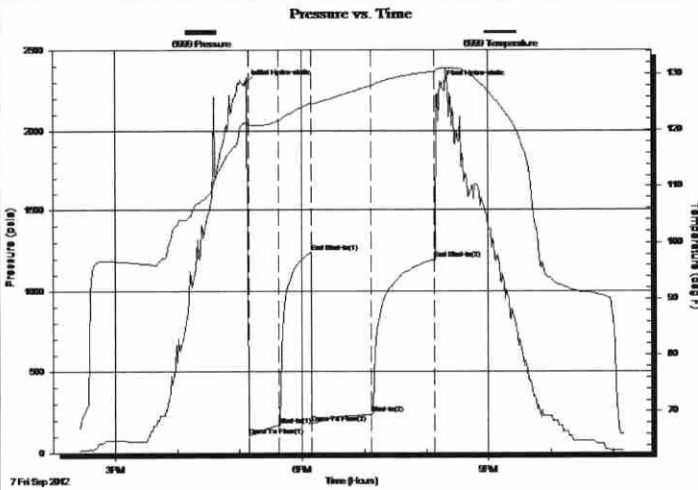
Start Time: 14:25:00

End Time: 23:10:30

Time On Btm: 2012.09.07 @ 17:06:00

Time Off Btm: 2012.09.07 @ 20:14:30

TEST COMMENT: 1ST Open 30 Minutes/Fair blow /Blow built to 7 1/2 inches in bucket of water  
 1ST Shut In 30 Minutes/No blow back  
 2ND Open 60 Minutes/Fair blow /Blow built to 10 inches in bucket of water  
 2ND Shut In 60 Minutes/Slight surface blow back



## PRESSURE SUMMARY

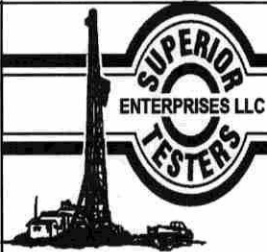
| Time (Min.) | Pressure (psia) | Temp (deg F) | Annotation           |
|-------------|-----------------|--------------|----------------------|
| 0           | 2291.04         | 121.31       | Initial Hydro-static |
| 3           | 102.49          | 120.93       | Open To Flow (1)     |
| 32          | 170.51          | 121.76       | Shut-In(1)           |
| 63          | 1242.03         | 124.85       | End Shut-In(1)       |
| 64          | 182.86          | 124.53       | Open To Flow (2)     |
| 121         | 238.26          | 127.91       | Shut-In(2)           |
| 182         | 1199.06         | 130.35       | End Shut-In(2)       |
| 189         | 2283.70         | 130.93       | Final Hydro-static   |

## Recovery

| Length (ft) | Description                     | Volume (bbl) |
|-------------|---------------------------------|--------------|
| 305.00      | Oily Mud                        | 1.55         |
| 0.00        | Oil 20% Mud 80%                 | 0.00         |
| 50.00       | Gassy Oil                       | 0.70         |
| 0.00        | Gas 10% Oil 90%                 | 0.00         |
| 0.00        | 60 feet Gas in pipe 100%        | 0.00         |
| 0.00        | Corrected Specific Grav. Oil 37 | 0.00         |

## Gas Rates

|  | Choke (inches) | Pressure (psia) | Gas Rate (Mcf/d) |
|--|----------------|-----------------|------------------|
|  |                |                 |                  |



# DRILL STEM TEST REPORT

**TOOL DIAGRAM**

Palomino Petroleum Incorporated  
 4924 Southeast 84th Street  
 Newton, Kansas 67114+8827  
 ATTN: Ryan Seib

**28/19S/25W/Ness**  
**Eggers-Horchem #1**  
 Job Ticket: 17827      **DST#: 2**  
 Test Start: 2012.09.07 @ 14:25:00

**Tool Information**

|                           |                    |                       |                                |                                    |
|---------------------------|--------------------|-----------------------|--------------------------------|------------------------------------|
| Drill Pipe:               | Length: 4151.00 ft | Diameter: 3.80 inches | Volume: 58.23 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: 20000.00 lb  |
| Drill Collar:             | Length: 300.00 ft  | Diameter: 2.25 inches | Volume: 1.48 bbl               | Weight to Pull Loose: 98000.00 lb  |
|                           |                    |                       | <u>Total Volume: 59.71 bbl</u> | Tool Chased 0.00 ft                |
| Drill Pipe Above KB:      | 28.00 ft           |                       |                                | String Weight: Initial 63000.00 lb |
| Depth to Top Packer:      | 4450.00 ft         |                       |                                | Final 64000.00 lb                  |
| Depth to Bottom Packer:   | ft                 |                       |                                |                                    |
| Interval between Packers: | 107.90 ft          |                       |                                |                                    |
| Tool Length:              | 134.90 ft          |                       |                                |                                    |
| Number of Packers:        | 2                  | Diameter: 6.75 inches |                                |                                    |

Tool Comments:

| Tool Description | Length (ft) | Serial No. | Position | Depth (ft) | Accum. Lengths                      |
|------------------|-------------|------------|----------|------------|-------------------------------------|
| Shut In Tool     | 5.00        |            |          | 4428.00    |                                     |
| Hydraulic Tool   | 5.00        |            |          | 4433.00    |                                     |
| Jars             | 5.00        |            |          | 4438.00    |                                     |
| Safety Joint     | 2.00        |            |          | 4440.00    |                                     |
| Packer           | 5.00        |            |          | 4445.00    | 27.00      Bottom Of Top Packer     |
| Packer           | 5.00        |            |          | 4450.00    |                                     |
| Perforations     | 5.00        |            |          | 4455.00    |                                     |
| Change Over Sub  | 0.75        |            |          | 4455.75    |                                     |
| Drill Pipe       | 63.40       |            |          | 4519.15    |                                     |
| Change Over Sub  | 0.75        |            |          | 4519.90    |                                     |
| Anchor           | 33.00       |            |          | 4552.90    |                                     |
| Recorder         | 1.00        | 6749       | Inside   | 4553.90    |                                     |
| Recorder         | 1.00        | 6999       | Outside  | 4554.90    |                                     |
| Bullnose         | 3.00        |            |          | 4557.90    | 107.90      Bottom Packers & Anchor |

**Total Tool Length: 134.90**



# DRILL STEM TEST REPORT

## FLUID SUMMARY

Palomino Petroleum Incorporated

**28/19S/25W/Ness**

4924 Southeast 84th Street  
New ton, Kansas 67114+8827

**Eggers-Horchem #1**

Job Ticket: 17827

**DST#: 2**

ATTN: Ryan Seib

Test Start: 2012.09.07 @ 14:25:00

### Mud and Cushion Information

Mud Type: Gel Chem  
Mud Weight: 9.00 lb/gal  
Viscosity: 65.00 sec/qt  
Water Loss: 6.80 in<sup>3</sup>  
Resistivity: ohm.m  
Salinity: 2400.00 ppm  
Filter Cake: 1.00 inches

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

Oil API: deg API  
Water Salinity: ppm

### Recovery Information

Recovery Table

| Length<br>ft | Description                     | Volume<br>bbl |
|--------------|---------------------------------|---------------|
| 305.00       | Oily Mud                        | 1.545         |
| 0.00         | Oil 20% Mud 80%                 | 0.000         |
| 50.00        | Gassy Oil                       | 0.701         |
| 0.00         | Gas 10% Oil 90%                 | 0.000         |
| 0.00         | 60 feet Gas in pipe 100%        | 0.000         |
| 0.00         | Corrected Specific Grav. Oil 37 | 0.000         |

Total Length: 355.00 ft      Total Volume: 2.246 bbl

Num Fluid Samples: 0

Num Gas Bombs: 0

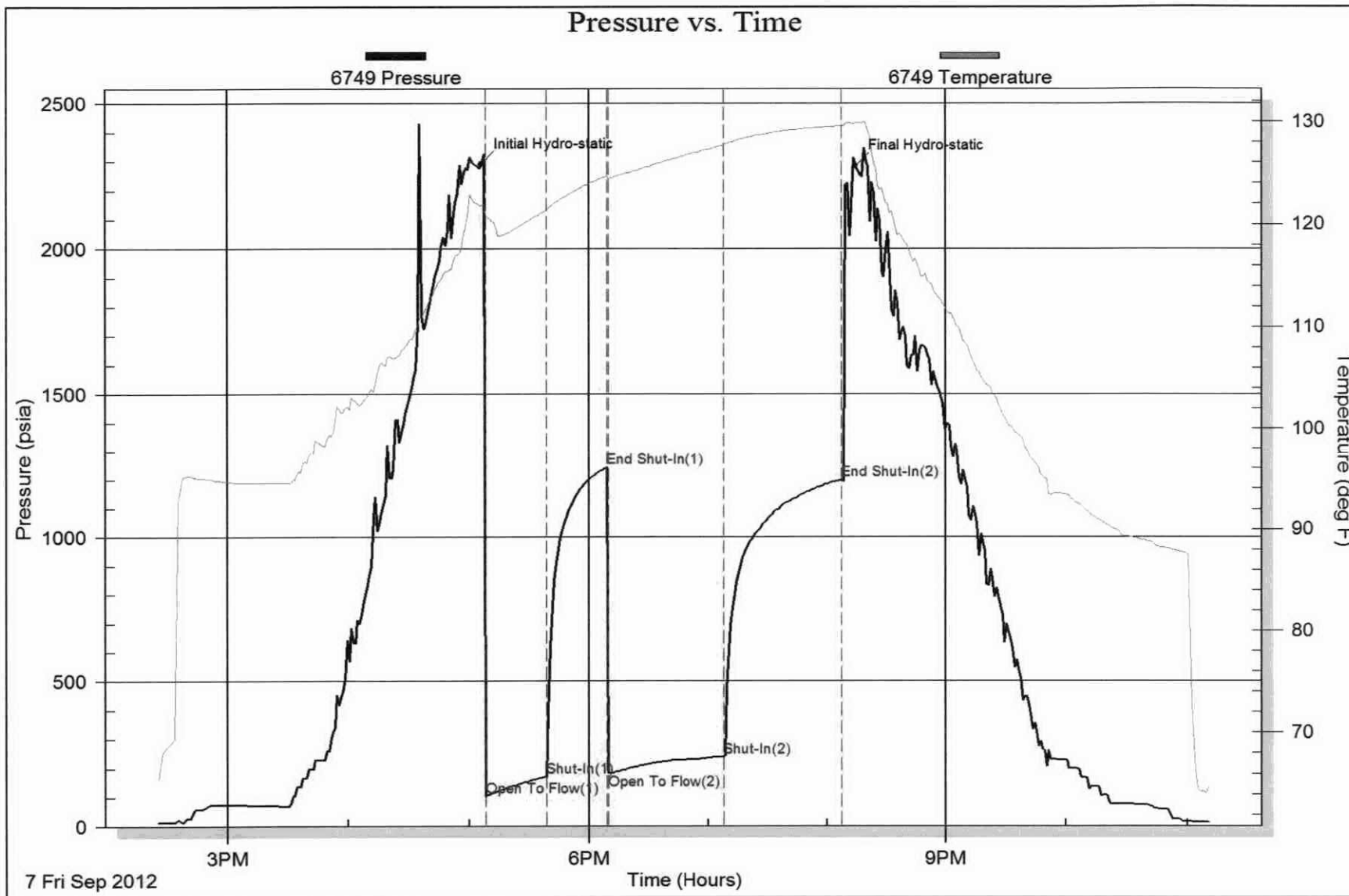
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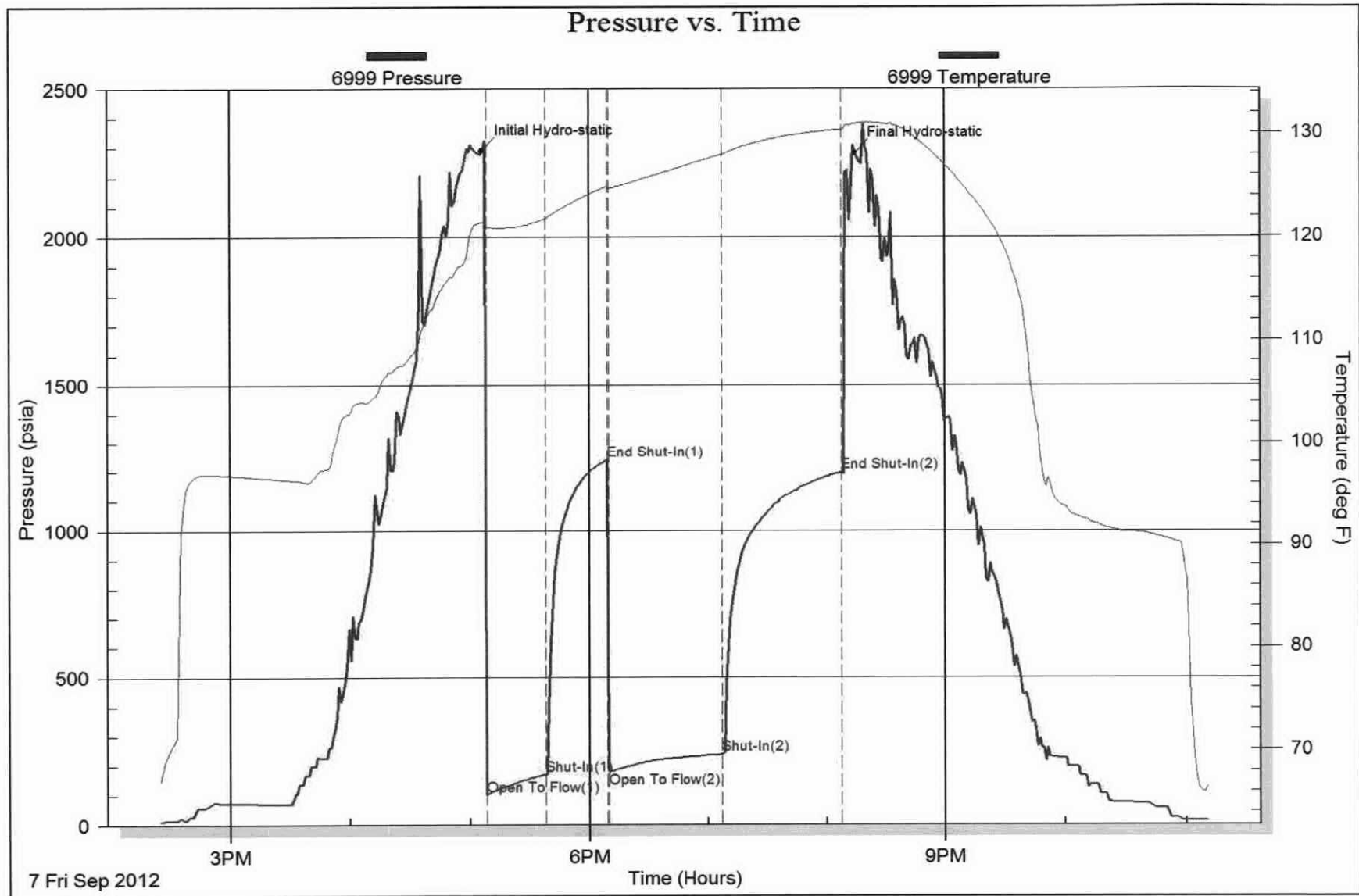
Laboratory Name:

Laboratory Location:

Recovery Comments:









## DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Incorporated**

4924 Southeast 84th Street  
Newton, Kansas 67114+8827

ATTN: Ryan Seib

### **Eggers-Horchem #1**

#### **28/19S/25W/Ness**

Start Date: 2012.09.08 @ 08:08:00

End Date: 2012.09.08 @ 14:36:00

Job Ticket #: 18828                      DST #: 3

Superior Testers Enterprises LLC  
PO Box 138 Great Bend KS 67530  
1-800-792-6902

Printed: 2012.09.08 @ 14:57:32

Palomino Petroleum Incorporated  
28/19S/25W/Ness  
Eggers-Horchem #1  
DST # 3  
Mississippi  
2012.09.08



# DRILL STEM TEST REPORT

Palomino Petroleum Incorporated  
 4924 Southeast 84th Street  
 New ton, Kansas 67114+8827  
 ATTN: Ryan Seib

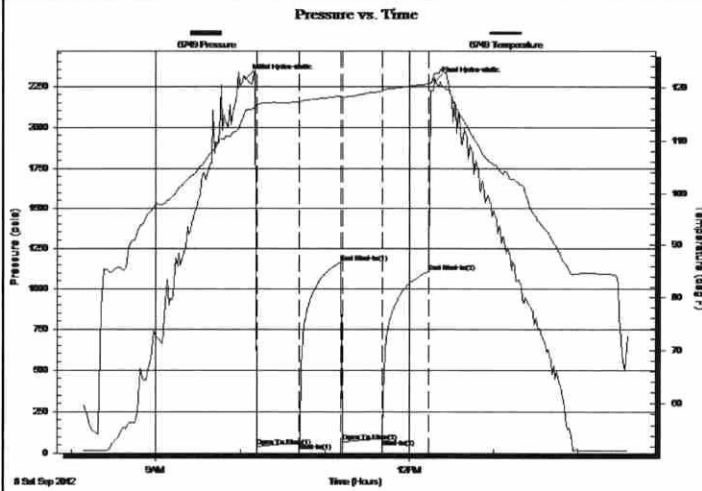
**28/19S/25W/Ness**  
**Eggers-Horchem #1**  
 Job Ticket: 18828      **DST#: 3**  
 Test Start: 2012.09.08 @ 08:08:00

## GENERAL INFORMATION:

Formation: **Mississippi**  
 Deviated: No    Whipstock:                      ft (KB)  
 Time Tool Opened: 10:11:30  
 Time Test Ended: 14:36:00  
 Test Type: Conventional Bottom Hole (Initial)  
 Tester: Ken Swinney  
 Unit No: 3325 Scott City/110  
 Interval: **4558.00 ft (KB) To 4571.00 ft (KB) (TVD)**  
 Total Depth: 4571.00 ft (KB) (TVD)  
 Reference Elevations: 2507.00 ft (KB)  
 2495.00 ft (CF)  
 Hole Diameter: 7.88 inches    Hole Condition: Fair  
 KB to GR/CF: 12.00 ft

**Serial #: 6749      Inside**  
 Press@RunDepth: 88.35 psia @ 4567.00 ft (KB)      Capacity: 5000.00 psia  
 Start Date: 2012.09.08      End Date: 2012.09.08      Last Calib.: 2012.09.08  
 Start Time: 08:08:00      End Time: 14:36:00      Time On Btm: 2012.09.08 @ 10:04:00  
 Time Off Btm: 2012.09.08 @ 12:18:00

TEST COMMENT: 1ST Open 30 Minutes/Weak blow/Blow built to 2 1/2 inches in bucket of water  
 1ST Shut In 30 Minutes/No blow back  
 2ND Open 30 Minutes/Weak blow/Blow built to 1 inch in bucket of water  
 2ND Shut In 30 Minutes/No blow back



## PRESSURE SUMMARY

| Time (Min.) | Pressure (psia) | Temp (deg F) | Annotation           |
|-------------|-----------------|--------------|----------------------|
| 0           | 2298.99         | 115.79       | Initial Hydro-static |
| 8           | 38.65           | 116.66       | Open To Flow (1)     |
| 38          | 64.11           | 117.32       | Shut-In(1)           |
| 67          | 1162.90         | 118.47       | End Shut-In(1)       |
| 69          | 67.39           | 118.23       | Open To Flow (2)     |
| 97          | 88.35           | 119.42       | Shut-In(2)           |
| 130         | 1104.87         | 120.76       | End Shut-In(2)       |
| 134         | 2284.49         | 122.70       | Final Hydro-static   |

## Recovery

| Length (ft) | Description                       | Volume (bbl) |
|-------------|-----------------------------------|--------------|
| 120.00      | Muddy Water                       | 0.59         |
| 0.00        | Mud 20% Water 80%                 | 0.00         |
| 0.00        | Recovery Chorides 20000 ppm       | 0.00         |
| 0.00        | Recov. Resist. .25 ohms @ 80 deg. | 0.00         |
|             |                                   |              |
|             |                                   |              |

## Gas Rates

| Choke (inches) | Pressure (psia) | Gas Rate (Mcf/d) |
|----------------|-----------------|------------------|
|                |                 |                  |



# DRILL STEM TEST REPORT

Palomino Petroleum Incorporated  
 4924 Southeast 84th Street  
 New ton, Kansas 67114+8827  
 ATTN: Ryan Seib

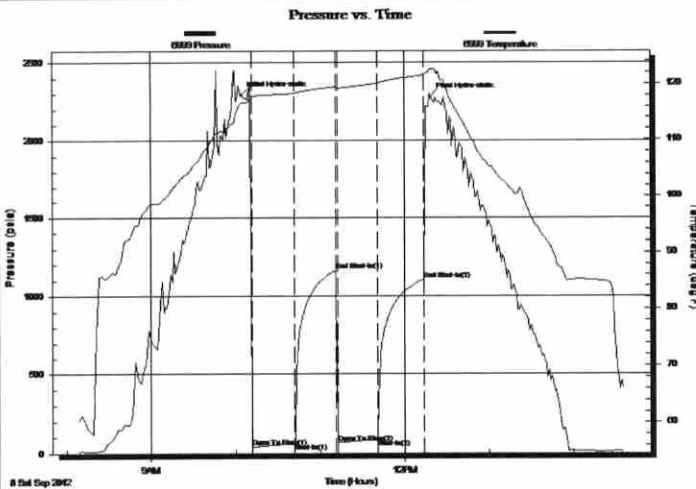
**28/19S/25W/Ness**  
**Eggers-Horchem #1**  
 Job Ticket: 18828      **DST#: 3**  
 Test Start: 2012.09.08 @ 08:08:00

## GENERAL INFORMATION:

Formation: **Mississippi**  
 Deviated: No      Whipstock:      ft (KB)  
 Time Tool Opened: 10:11:30  
 Time Test Ended: 14:36:00  
 Test Type: Conventional Bottom Hole (Initial)  
 Tester: Ken Swinney  
 Unit No: 3325 Scott City/110  
 Interval: **4558.00 ft (KB) To 4571.00 ft (KB) (TVD)**  
 Total Depth: 4571.00 ft (KB) (TVD)  
 Reference Elevations: 2507.00 ft (KB)  
 2495.00 ft (CF)  
 Hole Diameter: 7.88 inches      Hole Condition: Fair  
 KB to GR/CF: 12.00 ft

**Serial #: 6999      Outside**  
 Press@RunDepth: 1104.77 psia @ 4568.00 ft (KB)      Capacity: 5000.00 psia  
 Start Date: 2012.09.08      End Date: 2012.09.08      Last Calib.: 2012.09.08  
 Start Time: 08:08:00      End Time: 14:36:00      Time On Btm: 2012.09.08 @ 10:04:30  
 Time Off Btm: 2012.09.08 @ 12:18:00

**TEST COMMENT:** 1ST Open 30 Minutes/Weak blow /Blow built to 2 1/2 inches in bucket of w ater  
 1ST Shut In 30 Minutes/No blow back  
 2ND Open 30 Minutes/Weak blow /Blow built to 1 inch in bucket of w ater  
 2ND Shut In 30 Minutes/No blow back



## PRESSURE SUMMARY

| Time (Min.) | Pressure (psia) | Temp (deg F) | Annotation           |
|-------------|-----------------|--------------|----------------------|
| 0           | 2293.17         | 116.56       | Initial Hydro-static |
| 7           | 38.50           | 117.81       | Open To Flow (1)     |
| 38          | 63.33           | 118.24       | Shut-In(1)           |
| 67          | 1162.45         | 119.41       | End Shut-In(1)       |
| 68          | 67.04           | 119.19       | Open To Flow (2)     |
| 96          | 87.53           | 119.99       | Shut-In(2)           |
| 129         | 1104.77         | 121.43       | End Shut-In(2)       |
| 134         | 2285.09         | 122.46       | Final Hydro-static   |

## Recovery

| Length (ft) | Description                       | Volume (bbl) |
|-------------|-----------------------------------|--------------|
| 120.00      | Muddy Water                       | 0.59         |
| 0.00        | Mud 20% Water 80%                 | 0.00         |
| 0.00        | Recovery Chorides 20000 ppm       | 0.00         |
| 0.00        | Recov. Resist. .25 ohms @ 80 deg. | 0.00         |
|             |                                   |              |
|             |                                   |              |

## Gas Rates

|  | Choke (inches) | Pressure (psia) | Gas Rate (Mcf/d) |
|--|----------------|-----------------|------------------|
|  |                |                 |                  |



# DRILL STEM TEST REPORT

**TOOL DIAGRAM**

Palomino Petroleum Incorporated

**28/19S/25W/Ness**

4924 Southeast 84th Street  
New ton, Kansas 67114+8827

**Eggers-Horchem #1**

Job Ticket: 18828

**DST#: 3**

ATTN: Ryan Seib

Test Start: 2012.09.08 @ 08:08:00

**Tool Information**

|                           |                    |                         |                   |                                    |
|---------------------------|--------------------|-------------------------|-------------------|------------------------------------|
| Drill Pipe:               | Length: 4248.00 ft | Diameter: 3.80 inches   | Volume: 59.59 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: 20000.00 lb  |
| Drill Collar:             | Length: 300.00 ft  | Diameter: 2.25 inches   | Volume: 1.48 bbl  | Weight to Pull Loose: 90000.00 lb  |
|                           |                    | Total Volume: 61.07 bbl |                   | Tool Chased 0.00 ft                |
| Drill Pipe Above KB:      | 17.00 ft           |                         |                   | String Weight: Initial 62000.00 lb |
| Depth to Top Packer:      | 4558.00 ft         |                         |                   | Final 64000.00 lb                  |
| Depth to Bottom Packer:   | ft                 |                         |                   |                                    |
| Interval between Packers: | 13.00 ft           |                         |                   |                                    |
| Tool Length:              | 40.00 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                |
|---------------------------|--------------|------------|----------|------------|-------------------------------|
| Shut In Tool              | 5.00         |            |          | 4536.00    |                               |
| Hydraulic Tool            | 5.00         |            |          | 4541.00    |                               |
| Jars                      | 5.00         |            |          | 4546.00    |                               |
| Safety Joint              | 2.00         |            |          | 4548.00    |                               |
| Packer                    | 5.00         |            |          | 4553.00    | 27.00 Bottom Of Top Packer    |
| Packer                    | 5.00         |            |          | 4558.00    |                               |
| Anchor                    | 8.00         |            |          | 4566.00    |                               |
| Recorder                  | 1.00         | 6749       | Inside   | 4567.00    |                               |
| Recorder                  | 1.00         | 6999       | Outside  | 4568.00    |                               |
| Bullnose                  | 3.00         |            |          | 4571.00    | 13.00 Bottom Packers & Anchor |
| <b>Total Tool Length:</b> | <b>40.00</b> |            |          |            |                               |



# DRILL STEM TEST REPORT

## FLUID SUMMARY

Palomino Petroleum Incorporated

**28/19S/25W/Ness**

4924 Southeast 84th Street  
New ton, Kansas 67114+8827

**Eggers-Horchem #1**

Job Ticket: 18828

**DST#: 3**

ATTN: Ryan Seib

Test Start: 2012.09.08 @ 08:08:00

### Mud and Cushion Information

Mud Type: Gel Chem  
Mud Weight: 10.00 lb/gal  
Viscosity: 70.00 sec/qt  
Water Loss: 6.80 in<sup>3</sup>  
Resistivity: ohm.m  
Salinity: 2500.00 ppm  
Filter Cake: 1.00 inches

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

Oil API: deg API  
Water Salinity: ppm

### Recovery Information

Recovery Table

| Length<br>ft | Description                       | Volume<br>bbl |
|--------------|-----------------------------------|---------------|
| 120.00       | Muddy Water                       | 0.590         |
| 0.00         | Mud 20% Water 80%                 | 0.000         |
| 0.00         | Recovery Chorides 20000 ppm       | 0.000         |
| 0.00         | Recov. Resist. .25 ohms @ 80 deg. | 0.000         |

Total Length: 120.00 ft      Total Volume: 0.590 bbl

Num Fluid Samples: 0

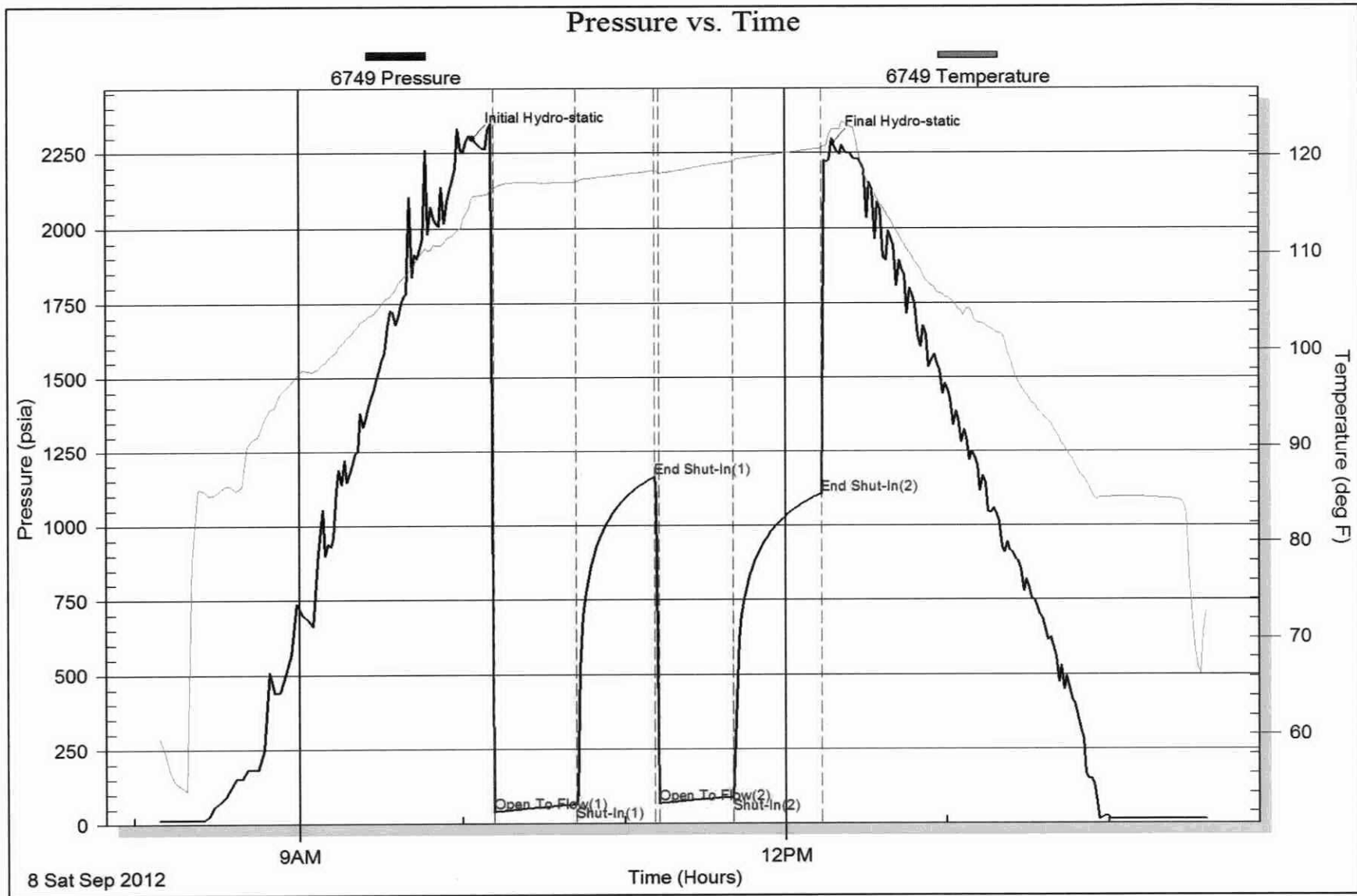
Num Gas Bombs: 0

Serial #:

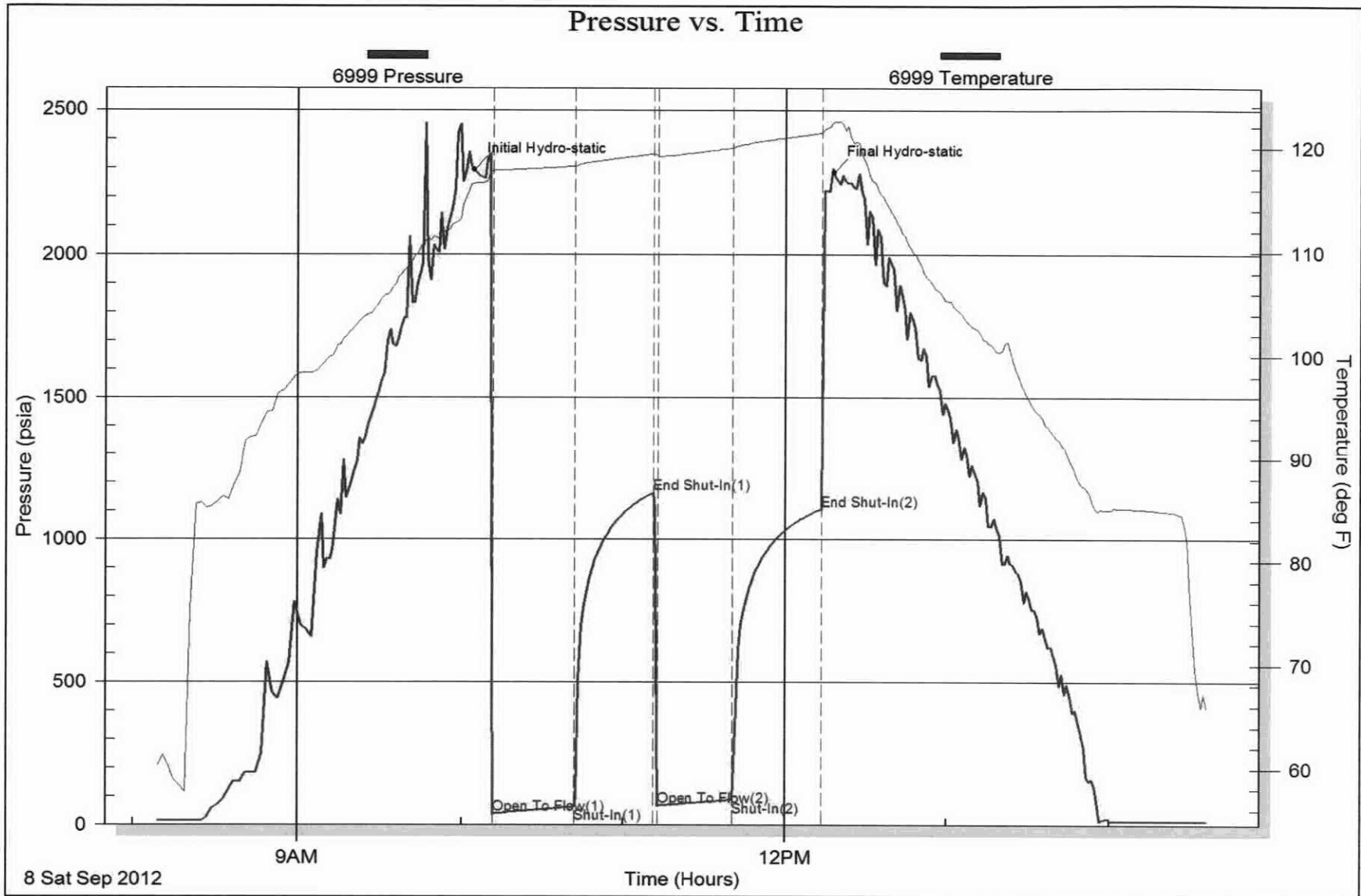
Laboratory Name:

Laboratory Location:

Recovery Comments:









## DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Incorporated**

4924 Southeast 84th Street  
Newton, Kansas 67114+8827

ATTN: Ryan Seib

### **Eggers-Horchem #1**

#### **28/19S/25W/Ness**

Start Date: 2012.09.09 @ 06:41:00

End Date: 2012.09.09 @ 14:40:30

Job Ticket #: 17829                      DST #: 4

Superior Testers Enterprises LLC  
PO Box 138 Great Bend KS 67530  
1-800-792-6902

Printed: 2012.09.09 @ 15:07:00

Palomino Petroleum Incorporated

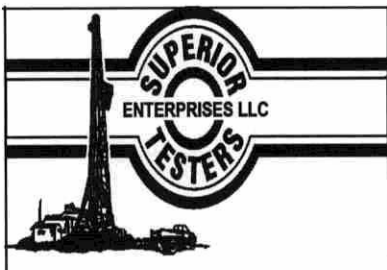
28/19S/25W/Ness

Eggers-Horchem #1

DST # 4

Mississippi

2012.09.09



# DRILL STEM TEST REPORT

Palomino Petroleum Incorporated

**28/19S/25W/Ness**

4924 Southeast 84th Street  
New ton, Kansas 67114+8827

**Eggers-Horchem #1**

Job Ticket: 17829

**DST#: 4**

ATTN: Ryan Seib

Test Start: 2012.09.09 @ 06:41:00

## GENERAL INFORMATION:

Formation: **Mississippi**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 08:57:30

Time Test Ended: 14:40:30

Test Type: Conventional Straddle (Initial)

Tester: Ken Swinney

Unit No: 3325 Scott City/110

Interval: **4535.00 ft (KB) To 4559.00 ft (KB) (TVD)**

Reference Elevations: 2507.00 ft (KB)

Total Depth: 4650.00 ft (KB) (TVD)

2495.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Fair

KB to GR/CF: 12.00 ft

## Serial #: 6999

Press@RunDepth: 121.08 psia @ 4552.96 ft (KB)

Capacity: 5000.00 psia

Start Date: 2012.09.09

End Date: 2012.09.09

Last Calib.: 2012.09.09

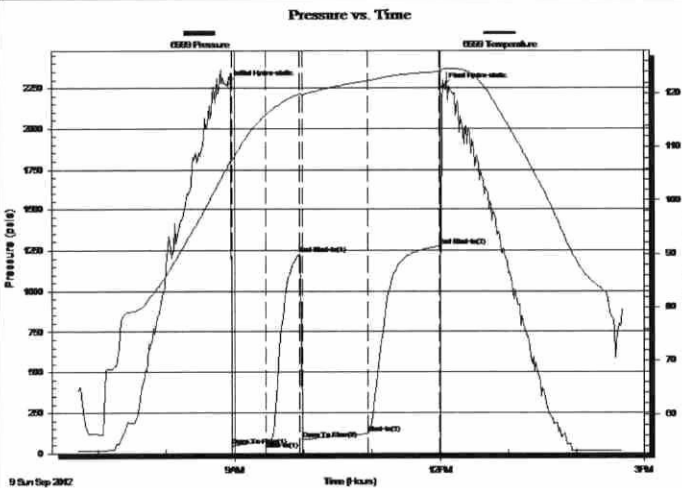
Start Time: 06:41:00

End Time: 14:40:30

Time On Btm: 2012.09.09 @ 08:54:00

Time Off Btm: 2012.09.09 @ 12:02:00

TEST COMMENT: 1ST Open 30 Minutes/Fair blow /Blow built to 6 inches in bucket of water  
 1ST Shut In 30 Minutes/No blow back  
 2ND Open 60 Minutes/Fair blow /Blow built to 6 inches in bucket of water  
 2ND Shut In 60 Minutes/No blow back



## PRESSURE SUMMARY

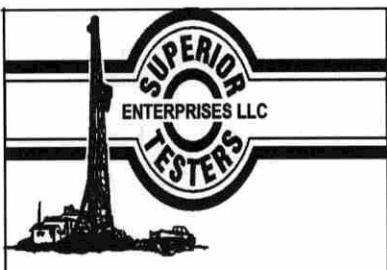
| Time (Min.) | Pressure (psia) | Temp (deg F) | Annotation           |
|-------------|-----------------|--------------|----------------------|
| 0           | 2272.12         | 106.65       | Initial Hydro-static |
| 4           | 44.26           | 107.58       | Open To Flow (1)     |
| 33          | 75.98           | 116.00       | Shut-In(1)           |
| 63          | 1224.34         | 119.93       | End Shut-In(1)       |
| 65          | 85.16           | 119.84       | Open To Flow (2)     |
| 123         | 121.08          | 122.39       | Shut-In(2)           |
| 185         | 1274.63         | 124.07       | End Shut-In(2)       |
| 188         | 2255.55         | 124.48       | Final Hydro-static   |

## Recovery

| Length (ft) | Description                          | Volume (bbl) |
|-------------|--------------------------------------|--------------|
| 60.00       | Oilly Mud                            | 0.30         |
| 0.00        | Oil 10% Mud 90%                      | 0.00         |
| 150.00      | Slightly gassy Oil                   | 0.74         |
| 0.00        | Gas 5% Oil 95%                       | 0.00         |
| 0.00        | Corrected Specific Gravity of Oil 37 | 0.00         |

## Gas Rates

| Choke (inches) | Pressure (psia) | Gas Rate (Mcf/d) |
|----------------|-----------------|------------------|
|                |                 |                  |



# DRILL STEM TEST REPORT

Palomino Petroleum Incorporated

**28/19S/25W/Ness**

4924 Southeast 84th Street  
New ton, Kansas 67114+8827

**Eggers-Horchem #1**

Job Ticket: 17829

**DST#: 4**

ATTN: Ryan Seib

Test Start: 2012.09.09 @ 06:41:00

## GENERAL INFORMATION:

Formation: **Mississippi**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 08:57:30

Time Test Ended: 14:40:30

Test Type: Conventional Straddle (Initial)

Tester: Ken Swinney

Unit No: 3325 Scott City/110

**Interval: 4535.00 ft (KB) To 4559.00 ft (KB) (TVD)**

Reference Elevations: 2507.00 ft (KB)

Total Depth: 4650.00 ft (KB) (TVD)

2495.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Fair

KB to GR/CF: 12.00 ft

## Serial #: 6749

Press@RunDepth: psia @ 4645.96 ft (KB)

Capacity: 5000.00 psia

Start Date: 2012.09.09

End Date: 2012.09.09

Last Calib.: 2012.09.09

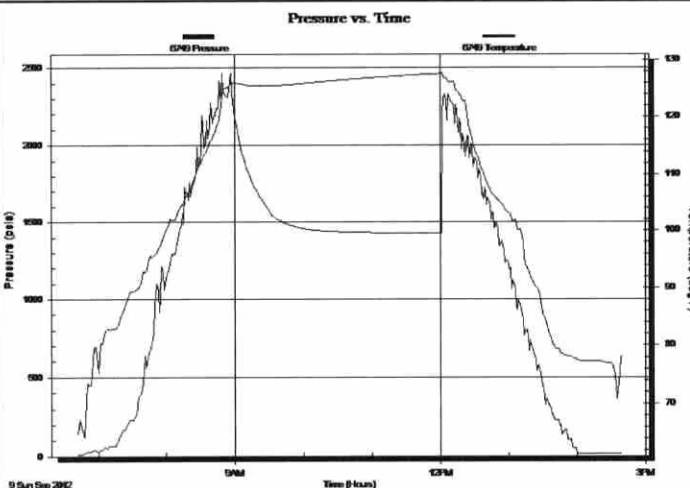
Start Time: 06:41:00

End Time: 14:39:30

Time On Btm:

Time Off Btm:

TEST COMMENT: 1ST Open 30 Minutes/Fair blow /Blow built to 6 inches in bucket of water  
 1ST Shut In 30 Minutes/No blow back  
 2ND Open 60 Minutes/Fair blow /Blow built to 6 inches in bucket of water  
 2ND Shut In 60 Minutes/No blow back



## PRESSURE SUMMARY

| Time (Min.) | Pressure (psia) | Temp (deg F) | Annotation |
|-------------|-----------------|--------------|------------|
|             |                 |              |            |
|             |                 |              |            |
|             |                 |              |            |
|             |                 |              |            |

## Recovery

| Length (ft) | Description                          | Volume (bbl) |
|-------------|--------------------------------------|--------------|
| 60.00       | Oilly Mud                            | 0.30         |
| 0.00        | Oil 10% Mud 90%                      | 0.00         |
| 150.00      | Slightly gassy Oil                   | 0.74         |
| 0.00        | Gas 5% Oil 95%                       | 0.00         |
| 0.00        | Corrected Specific Gravity of Oil 37 | 0.00         |

## Gas Rates

| Choke (inches) | Pressure (psia) | Gas Rate (Mcf/d) |
|----------------|-----------------|------------------|
|                |                 |                  |



# DRILL STEM TEST REPORT

Palomino Petroleum Incorporated

**28/19S/25W/Ness**

4924 Southeast 84th Street  
New ton, Kansas 67114+8827

**Eggers-Horchem #1**

Job Ticket: 17829

**DST#: 4**

ATTN: Ryan Seib

Test Start: 2012.09.09 @ 06:41:00

## GENERAL INFORMATION:

Formation: **Mississippi**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 08:57:30

Time Test Ended: 14:40:30

Test Type: Conventional Straddle (Initial)

Tester: Ken Swinney

Unit No: 3325 Scott City/110

Interval: **4535.00 ft (KB) To 4559.00 ft (KB) (TVD)**

Reference Elevations: 2507.00 ft (KB)

Total Depth: 4650.00 ft (KB) (TVD)

2495.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Fair

KB to GR/CF: 12.00 ft

## Serial #: 6651

Press@RunDepth: 1276.12 psia @ 4552.96 ft (KB)

Capacity: 5000.00 psia

Start Date: 2012.09.09

End Date: 2012.09.09

Last Calib.: 2012.09.09

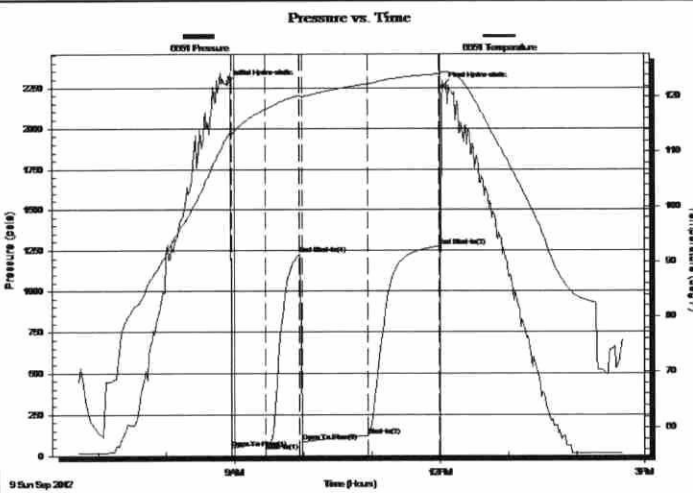
Start Time: 06:41:00

End Time: 14:41:00

Time On Btm: 2012.09.09 @ 08:54:00

Time Off Btm: 2012.09.09 @ 12:02:00

TEST COMMENT: 1ST Open 30 Minutes/Fair blow /Blow built to 6 inches in bucket of w ater  
 1ST Shut In 30 Minutes/No blow back  
 2ND Open 60 Minutes/Fair blow /Blow built to 6 inches in bucket of w ater  
 2ND Shut In 60 Minutes/No blow back



## PRESSURE SUMMARY

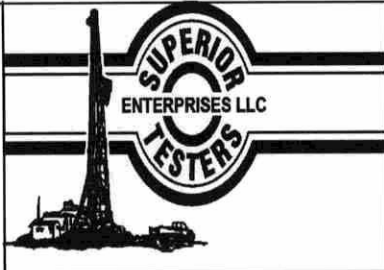
| Time (Min.) | Pressure (psia) | Temp (deg F) | Annotation           |
|-------------|-----------------|--------------|----------------------|
| 0           | 2273.84         | 112.78       | Initial Hydro-static |
| 4           | 45.77           | 113.13       | Open To Flow (1)     |
| 33          | 77.05           | 117.70       | Shut-In(1)           |
| 63          | 1225.73         | 120.23       | End Shut-In(1)       |
| 65          | 86.30           | 120.04       | Open To Flow (2)     |
| 123         | 122.48          | 122.38       | Shut-In(2)           |
| 185         | 1276.12         | 124.15       | End Shut-In(2)       |
| 188         | 2256.38         | 124.51       | Final Hydro-static   |

## Recovery

| Length (ft) | Description                          | Volume (bbl) |
|-------------|--------------------------------------|--------------|
| 60.00       | Oilly Mud                            | 0.30         |
| 0.00        | Oil 10% Mud 90%                      | 0.00         |
| 150.00      | Slightly gassy Oil                   | 0.74         |
| 0.00        | Gas 5% Oil 95%                       | 0.00         |
| 0.00        | Corrected Specific Gravity of Oil 37 | 0.00         |

## Gas Rates

| Choke (inches) | Pressure (psia) | Gas Rate (Mcf/d) |
|----------------|-----------------|------------------|
|                |                 |                  |



# DRILL STEM TEST REPORT

**TOOL DIAGRAM**

Palomino Petroleum Incorporated

**28/19S/25W/Ness**

4924 Southeast 84th Street  
New ton, Kansas 67114+8827

**Eggers-Horchem #1**

Job Ticket: 17829

**DST#: 4**

ATTN: Ryan Seib

Test Start: 2012.09.09 @ 06:41:00

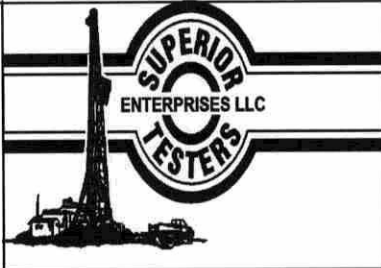
**Tool Information**

|                           |                    |                         |                   |                                    |
|---------------------------|--------------------|-------------------------|-------------------|------------------------------------|
| Drill Pipe:               | Length: 4221.00 ft | Diameter: 3.80 inches   | Volume: 59.21 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: 20000.00 lb  |
| Drill Collar:             | Length: 300.00 ft  | Diameter: 2.25 inches   | Volume: 1.48 bbl  | Weight to Pull Loose: 78000.00 lb  |
|                           |                    | Total Volume: 60.69 bbl |                   | Tool Chased 0.00 ft                |
| Drill Pipe Above KB:      | 8.00 ft            |                         |                   | String Weight: Initial 64000.00 lb |
| Depth to Top Packer:      | 4535.00 ft         |                         |                   | Final 66000.00 lb                  |
| Depth to Bottom Packer:   | 4553.63 ft         |                         |                   |                                    |
| Interval between Packers: | 18.63 ft           |                         |                   |                                    |
| Tool Length:              | 135.96 ft          |                         |                   |                                    |
| Number of Packers:        | 3                  | Diameter: 6.75 inches   |                   |                                    |

Tool Comments:

| Tool Description | Length (ft) | Serial No. | Position | Depth (ft) | Accum. Lengths                |
|------------------|-------------|------------|----------|------------|-------------------------------|
| Shut In Tool     | 5.00        |            |          | 4518.00    |                               |
| Hydrolic Tool    | 5.00        |            |          | 4523.00    |                               |
| Jars             | 5.00        |            |          | 4528.00    |                               |
| Safety Joint     | 2.00        |            |          | 4530.00    |                               |
| Packer           | 5.00        |            |          | 4535.00    | 22.00 Bottom Of Top Packer    |
| Perforations     | 13.00       |            |          | 4548.00    |                               |
| Handling Sub     | 4.96        |            |          | 4552.96    |                               |
| Recorder         | 0.00        | 6651       |          | 4552.96    |                               |
| Recorder         | 0.00        | 6999       |          | 4552.96    |                               |
| Blank Off Sub    | 0.67        |            |          | 4553.63    |                               |
| Packer           | 5.00        |            |          | 4558.63    | 18.63 Tool Interval           |
| Packer           | 5.00        |            |          | 4563.63    |                               |
| Perforations     | 18.00       |            |          | 4581.63    |                               |
| Change over sub  | 0.64        |            |          | 4582.27    |                               |
| Drill Pipe       | 63.03       |            |          | 4645.30    |                               |
| Change over sub  | 0.66        |            |          | 4645.96    |                               |
| Recorder         | 0.00        | 6749       |          | 4645.96    |                               |
| Bull plug        | 3.00        |            |          | 4648.96    | 95.33 Bottom Packers & Anchor |

**Total Tool Length: 135.96**



# DRILL STEM TEST REPORT

## FLUID SUMMARY

Palomino Petroleum Incorporated

**28/19S/25W/Ness**

4924 Southeast 84th Street  
New ton, Kansas 67114+8827

**Eggers-Horchem #1**

Job Ticket: 17829

**DST#: 4**

ATTN: Ryan Seib

Test Start: 2012.09.09 @ 06:41:00

### 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: 53.00 sec/qt

Cushion Volume:

bbl

Water Loss: 7.20 in<sup>3</sup>

Gas Cushion Type:

Resistivity: ohm.m

Gas Cushion Pressure:

psia

Salinity: 2500.00 ppm

Filter Cake: 1.00 inches

### Recovery Information

Recovery Table

| Length<br>ft | Description                          | Volume<br>bbl |
|--------------|--------------------------------------|---------------|
| 60.00        | Oilly Mud                            | 0.295         |
| 0.00         | Oil 10% Mud 90%                      | 0.000         |
| 150.00       | Slightly gassy Oil                   | 0.738         |
| 0.00         | Gas 5% Oil 95%                       | 0.000         |
| 0.00         | Corrected Specific Gravity of Oil 37 | 0.000         |

Total Length: 210.00 ft

Total Volume: 1.033 bbl

Num Fluid Samples: 0

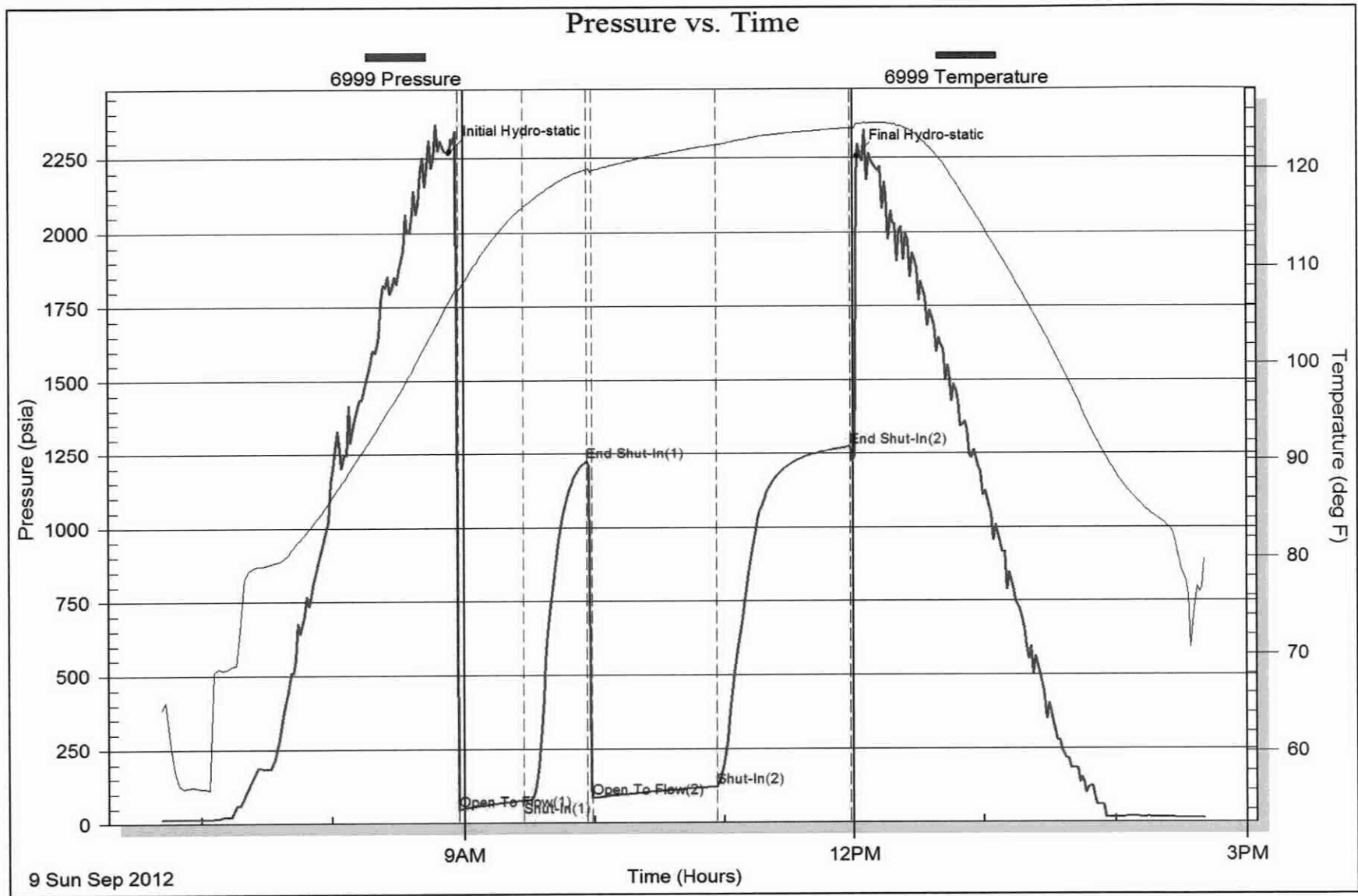
Num Gas Bombs: 0

Serial #:

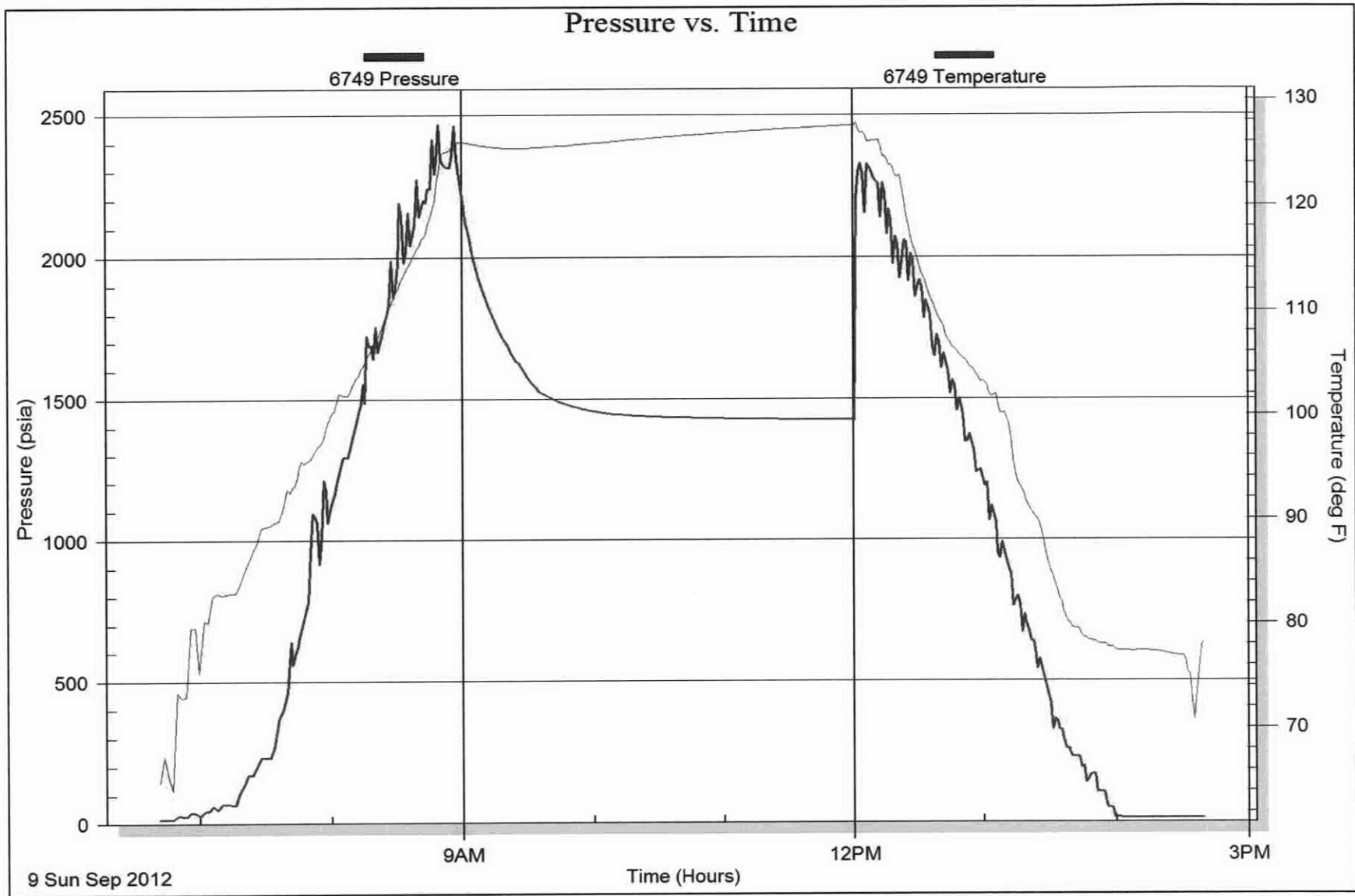
Laboratory Name:

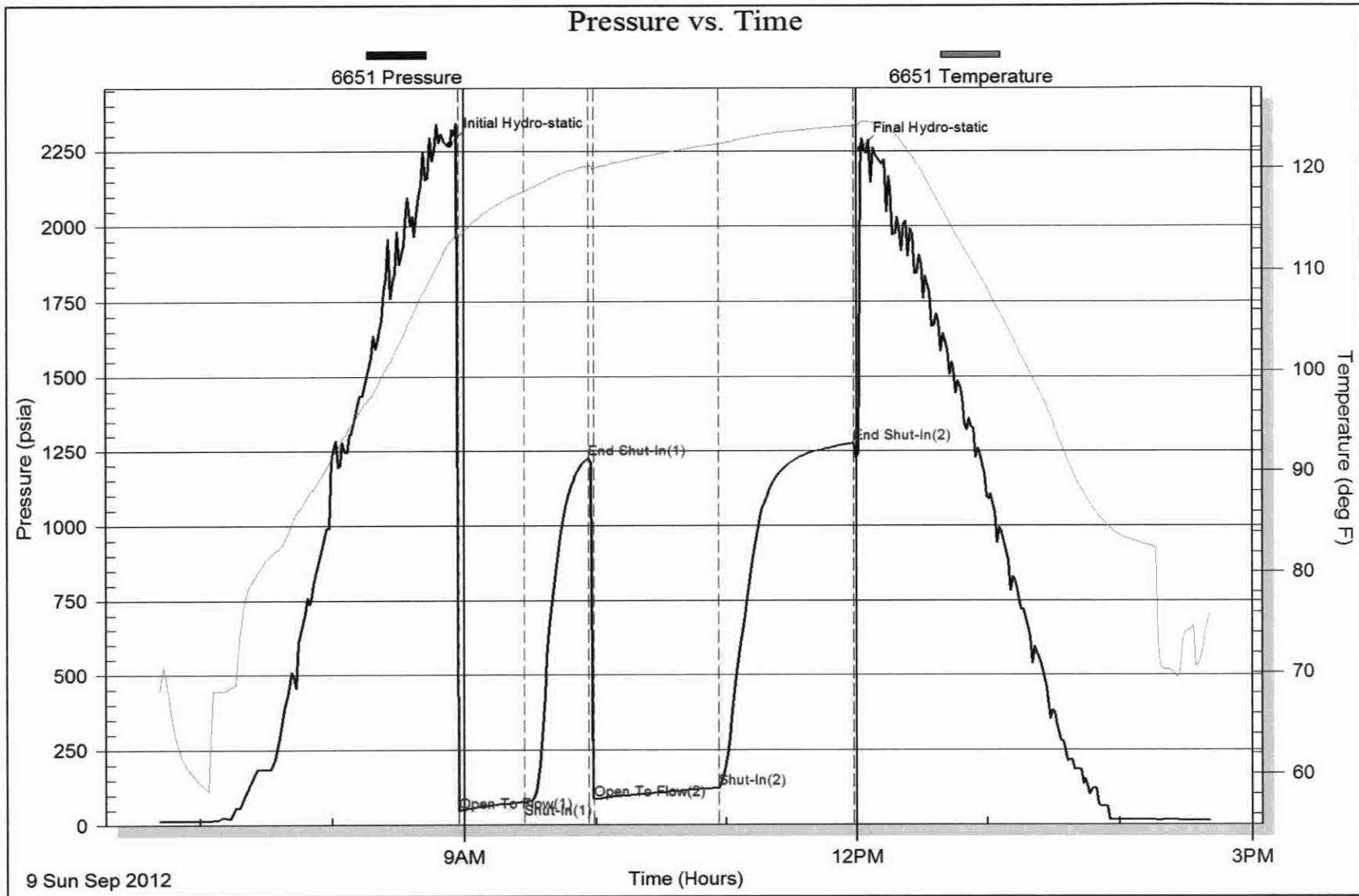
Laboratory Location:

Recovery Comments:









9 Sun Sep 2012