



KANSAS CORPORATION COMMISSION 1098616
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 # 4958
Name: Mallard, J. V., Inc.
Wellsite Geologist: Jerry Smith
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 #: _____

<u>09/19/2012</u>	<u>09/28/2012</u>	<u>10/22/2012</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-135-25477-00-00

Spot Description: _____
SE NW SE NW Sec. 15 Twp. 17 S. R. 25 East West
1839 Feet from North / South Line of Section
1925 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE NW SE SW

County: Ness

Lease Name: RD Well #: 1

Field Name: Stutz East

Producing Formation: Mississippian

Elevation: Ground: 2454 Kelly Bushing: 2459

Total Depth: 4530 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: 218 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: 1750 Feet

If Alternate II completion, cement circulated from: 1752

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: 11/14/2012



1098616

Operator Name: Palomino Petroleum, Inc. Lease Name: RD Well #: 1
 Sec. 15 Twp. 17 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 <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Submitted Electronically <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: Radiation Guard Log Dual Receiver Cement Bond Log	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum Attached Attached Attached
--	--

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12.25	8.625	23	218	Class A	150	3%cc 2%gel
Production	7.875	5.5	14	4515	SMD EA-2	175	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	4437-4473	Common	75	
<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 Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth
4	4437-4440, 4443-4445, 4448-4453, 4455-4458	650 gal. MOD 202 with 2% m.s.	
4	4465-4468, 4471-4473	350 gals. 15% regular acid	

TUBING RECORD:	Size: <u>2.875</u>	Set At: <u>4484</u>	Packer At: <u> </u>	Liner Run: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Date of First, Resumed Production, SWD or ENHR. <u>10/30/2012</u>	Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i> _____				
Estimated Production Per 24 Hours	Oil Bbls. <u>44</u>	Gas Mcf <u> </u>	Water Bbls. <u>77</u>	Gas-Oil Ratio <u> </u>	Gravity <u> </u>

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <input type="checkbox"/> Other <i>(Specify)</i> _____	PRODUCTION INTERVAL: _____ _____
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Form	ACO1 - Well Completion
Operator	Palomino Petroleum, Inc.
Well Name	RD 1
Doc ID	1098616

Tops

Anhy.	1792	(+667)
Base Anhy.	1824	(+635)
Heebner	3800	(-1341)
LKC	3840	(-1381)
Stark	4077	(-1618)
Ft. Scott	4329	(-1870)
Cherokee	4355	(-1896)
Miss. Por.	4426	(-1967)
LTD	4526	(-2067)

SWIFT



Services, Inc.

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



Invoice

DATE	INVOICE #
9/28/2012	23300

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

RECEIVED

SEP 28 2012

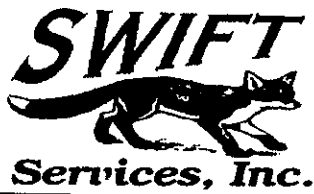
- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	R.D.	Ness	Mallard JV	Oil	Development	Cement 5-1/2" L...	David
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
409-5	5 1/2" Turbolizer				9	Each	90.00	810.00T
403-5	5 1/2" Cement Basket				2	Each	250.00	500.00T
407-5	5 1/2" Insert Float Shoe With Auto Fill				1	Each	350.00	350.00T
406-5	5 1/2" Latch Down Plug & Baffle				1	Each	250.00	250.00T
404-5	5 1/2" Port Collar				1	Each	2,400.00	2,400.00T
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				3	Gallon(s)	35.00	105.00T
581D	Service Charge Cement				225	Sacks	2.00	450.00
582D	Minimum Drayage Charge				1	Each	250.00	250.00
	Subtotal							11,517.50
	Sales Tax Ness County						6.30%	579.44

We Appreciate Your Business!

Total

\$12,096.94



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

TICKET
 N° 23300

PAGE 1 OF 2

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

WELL/PROJECT NO. 91
 LEASE RD
 COUNTY/PARISH Ness
 STATE KS
 CITY Utica KS
 DATE 9-28-12
 OWNER Same

TICKET TYPE
 SERVICE
 SALES
 CONTRACTOR Mallard
 RIG NAME/NO. #1
 SHIPPED VIA CT
 DELIVERED TO Location
 ORDER NO.

WELL TYPE OEL
 WELL CATEGORY Development
 JOB PURPOSE Cement 5 1/2" Longstring
 WELL PERMIT NO.
 WELL LOCATION Utica, 3 1/2 E, 4 S, 1E, Sinko

INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE trk #117	20	mi			6.00	120.00
578		1			Pump Charge	1	job			1500.00	1500.00
402		1			Centralizer	5 1/2	in	1	ea	70.00	70.00
409		1			Turbolizer	5 1/2	in	9	ea	90.00	810.00
403		1			Cement Basket	5 1/2	in	2	ea	250.00	500.00
407		1			Insert Float Shoe w/Auto Fill	5 1/2	in	1	ea	350.00	350.00
406		1			Latch Down Plug + Baffle	5 1/2	in	1	ea	250.00	250.00
404		1			Port Collar	5 1/2	in	1	ea	2400.00	2400.00

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 9-28-12 TIME SIGNED 0700
 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	
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				1	6000.00
WE UNDERSTOOD AND MET YOUR NEEDS?				2	5517.50
OUR SERVICE WAS PERFORMED WITHOUT DELAY?					
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?					
ARE YOU SATISFIED WITH OUR SERVICE?					
				sub total	11,517.50
				TAX	579.44
				TOTAL	12,096.94

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES. The customer hereby accepts the quantity, make, and condition of the materials and services listed on this ticket.

SWIFT OPERATOR David Kuehn APPROVAL [Signature]

Thank You!



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

TICKET CONTINUATION

TICKET No. 23300

CUSTOMER Palomino Petroleum WELL RD #1 DATE 9-28-12 PAGE 2 OF 2

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		UM.		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF									
330		1				SMD Cement	125	sk			16.50	2062.50	
325		1				Standard Cement for EA-2	100	sk			13.50	1350.00	
284		1				Culseal	5	%	5	sk	35.00	175.00	
283		1				Salt	10	%	500	lbs	00.20	100.00	
285		1				CFR-1	1/2	%	50	lbs	4.00	200.00	
276		1				Floccle	1/4	lbs	50	lbs	2.00	100.00	
281		1				Mud Flush			500	gal	1.25	625.00	
221		1				Liquid KCL			4	gal	25.00	100.00	
290		1				D-Air			3	gal	35.00	105.00	
582		1				Minimum Drayage Charge			1	ea	250.00	250.00	
581		1				SERVICE CHARGE					2.00	450.00	
						MILEAGE CHARGE		TOTAL WEIGHT	LOADED MILES	TON MILES			

CONTINUATION TOTAL 5,517.50

JOB LOG

SWIFT Services, Inc.

DATE 9-28-12 PAGE NO. 1

CUSTOMER Palomino Petroleum WELL NO. # 1 LEASE RO JOB TYPE 5 1/2" Longstring TICKET NO. 23300

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
								TD - 4530' LTD - 4526' set @ - 4515' Baffle Plate 448'
								Shoe JT - #1 31.00', P.C. # 66 1752', 5 1/2" 14'
								Centralizers - #1, 2, 3, 4, 5, 6, 7, 8, 9, 65
								Basket # - 2, #66 X 125 sks SMD 1/4", 100 sks EA-2 #1/4"
	0700							on location
	0825							Start Pipe 5 1/2" 14'
	1010							Drop Ball Break Circulation
	1110	6 3/4	12				300	Pump 500 gal Mud Flush
		6 3/4	20				300	pump 200 bbl 14CL flush
	1120		18				Ø	Plug RH + MH w/ SMD 1/4" flt - RH - 30 sks, MH - 20 sks
	1125	4 1/2	27				200	Mix 75 sks SMD 1/4" flt @ 12.7 ppq
		4 1/2	24				200	Mix 100 sks EA-2 @ 15.5 ppq
								Release L.D. plug
								Wash out Pumping lines
	1148	6 3/4					200	Start Displacement / 2 gal 14CL & 1st tank of Displace
		6 3/4	100				880	
	1206	6 3/4	109				1708	Land L.D. Plug
								Release Pressure Held
								Wash up Truck
	1245							Job Complete
								Thank you
								Dave, Blaine, TJ, Flint



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

Invoice

DATE	INVOICE #
10/8/2012	23358

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

RECEIVED
 OCT 12 2012

- * Acidizing
- * Cement
- * Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	R.D.	Ness	Cheyenne Well Se...	Oil	Development	Cement Port Collar	Blaine
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				20	Miles	6.00	120.00
576D-D	Pump Charge - Port Collar				1	Job	1,250.00	1,250.00
330	Swift Multi-Density Standard (MIDCON II)				130	Sacks	16.50	2,145.00T
290	D-Air				2	Gallon(s)	35.00	70.00T
276	Flocele				25	Lb(s)	2.00	50.00T
104	Port Collar Tool Rental				1	Each	250.00	250.00T
107	Stripper Head Rental Per Day				1	Each	250.00	250.00T
581D	Service Charge Cement				200	Sacks	2.00	400.00
582D	Minimum Drayage Charge				1	Each	250.00	250.00
	Subtotal							4,785.00
	Sales Tax Ness County						6.30%	174.20

We Appreciate Your Business!

Total

\$4,959.20



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

TICKET No 23358

PAGE 1 OF 1

SERVICE LOCATIONS 1. Ness City KS WELL/PROJECT NO. 1 LEASE RD COUNTY/PARISH Ness STATE KS CITY Utica DATE 8 Oct 12 OWNER
 2. TICKET TYPE SERVICE SALES CONTRACTOR RIG NAME/NO. SHIPPED ET DELIVERED TO Location ORDER NO.
 3. WELL TYPE oil WELL CATEGORY Development JOB PURPOSE cement port collar WELL PERMIT NO. WELL LOCATION North Rd Rd 210, E
 4. REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF								
575		1			MILEAGE	20	mi			6.00	120	.00
576D		1			Pump Charge	1	hour			1250.00	1250	.00
330		1			5-1/2" cement	130	yd			16.50	2145	.00
290		1			Dair	2	hour			35.00	70	.00
276		1			Fluore	25	lb			2.00	50	.00
104		1			port collar tool rental	1	hour			250.00	250	.00
107		1			stripper head (rental)	1	hour			250.00	250	.00
581		1			service charge	700	hr			2.00	400	.00
582		1			Drayage (man)	1	hour			250.00	250	.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 [Signature]
 DATE SIGNED TIME SIGNED A.M. P.M.
1/18

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	47215.00
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?							
WE UNDERSTOOD AND MET YOUR NEEDS?							
OUR SERVICE WAS PERFORMED WITHOUT DELAY?							
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?							
ARE YOU SATISFIED WITH OUR SERVICE?			<input type="checkbox"/> YES <input type="checkbox"/> NO			TAX	174.12
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND						TOTAL	49591.2

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

SWIFT OPERATOR [Signature] APPROVAL

Thank You

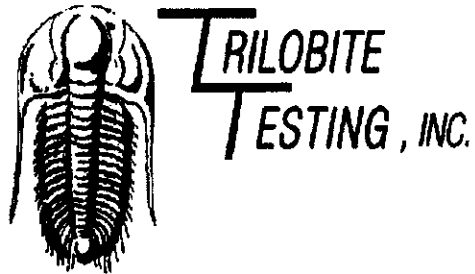
JOB LOG

SWIFT Services, Inc.

DATE 9 Oct 12 PAGE NO. 1

CUSTOMER Kalbano WELL NO. 1 LEASE LD JOB TYPE cement long string TICKET NO. 23358

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
								200sk SMD w/ 1/4" floccle 2 3/8" x 5 1/2" port collar - 1752'
	0945							on loc TRK 114
	1030					1000	1000	test to 1000 psi - hold open port collar
	1035	3 1/2	2			700		inj rate. 3 1/2 @ 400
	1040	3 1/2				400		Mix SMD cement @ 11.7 ppg fluid to surface
		3 1/2	12			400		
	1100	3 1/2	70			500		— cement to surface 130 sks mixed 15 to pit
	1105	3 1/2	5 1/2			500		Displace tubing 5 1/2 bbl
	1110					1000	1000	close port collar test to 1000 psi - hold
			20					Reverse hole clean - 2 cement plugs - wash truck Rack up
	1155							job complete flush DNETS Jeremy & Blaine



DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Inc.**

4924 SE ST
Newton KS 67114

ATTN: Jerry Smith

RD #1

15-17s-25w Ness,KS

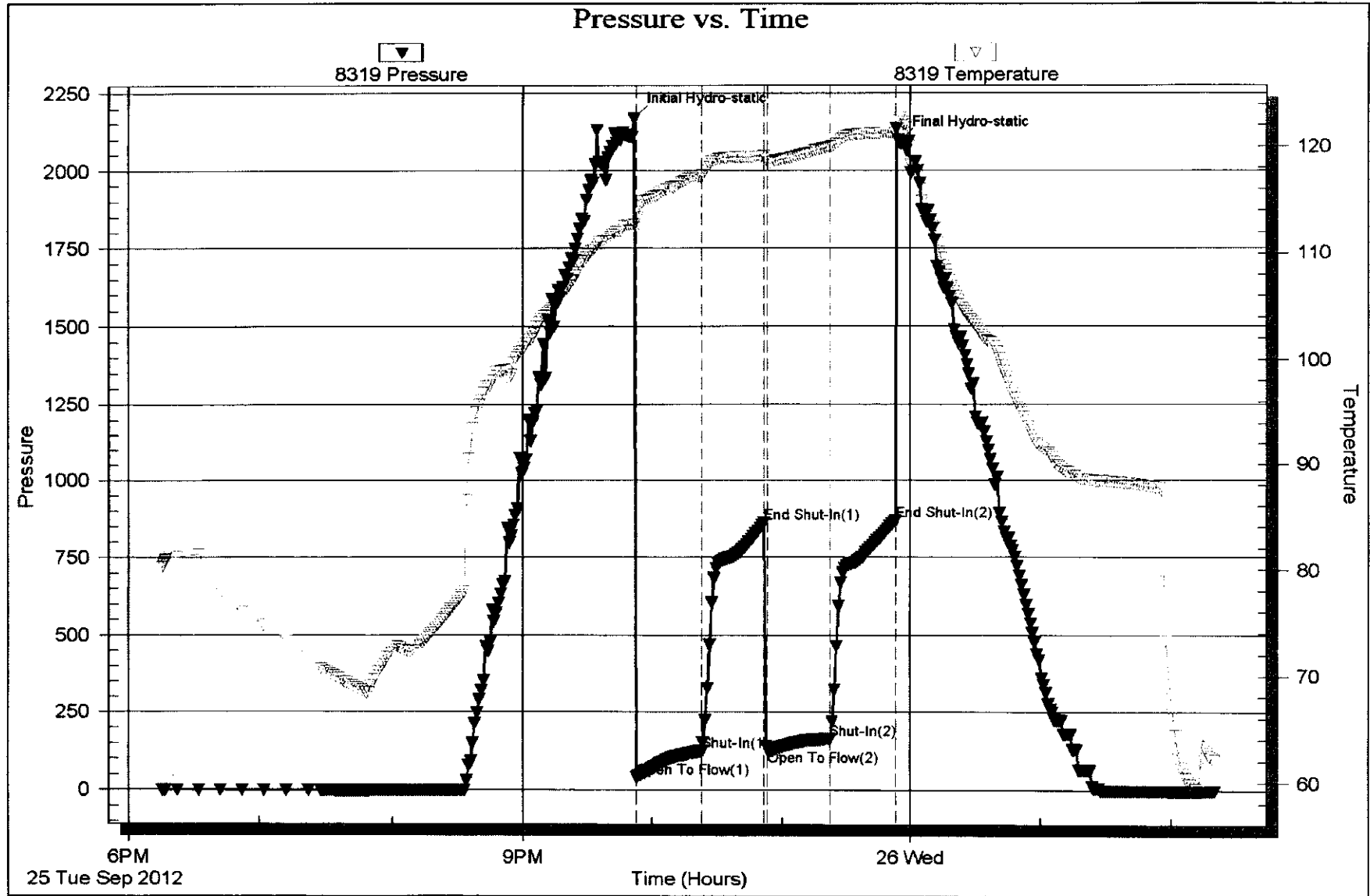
Start Date: 2012.09.25 @ 18:15:00

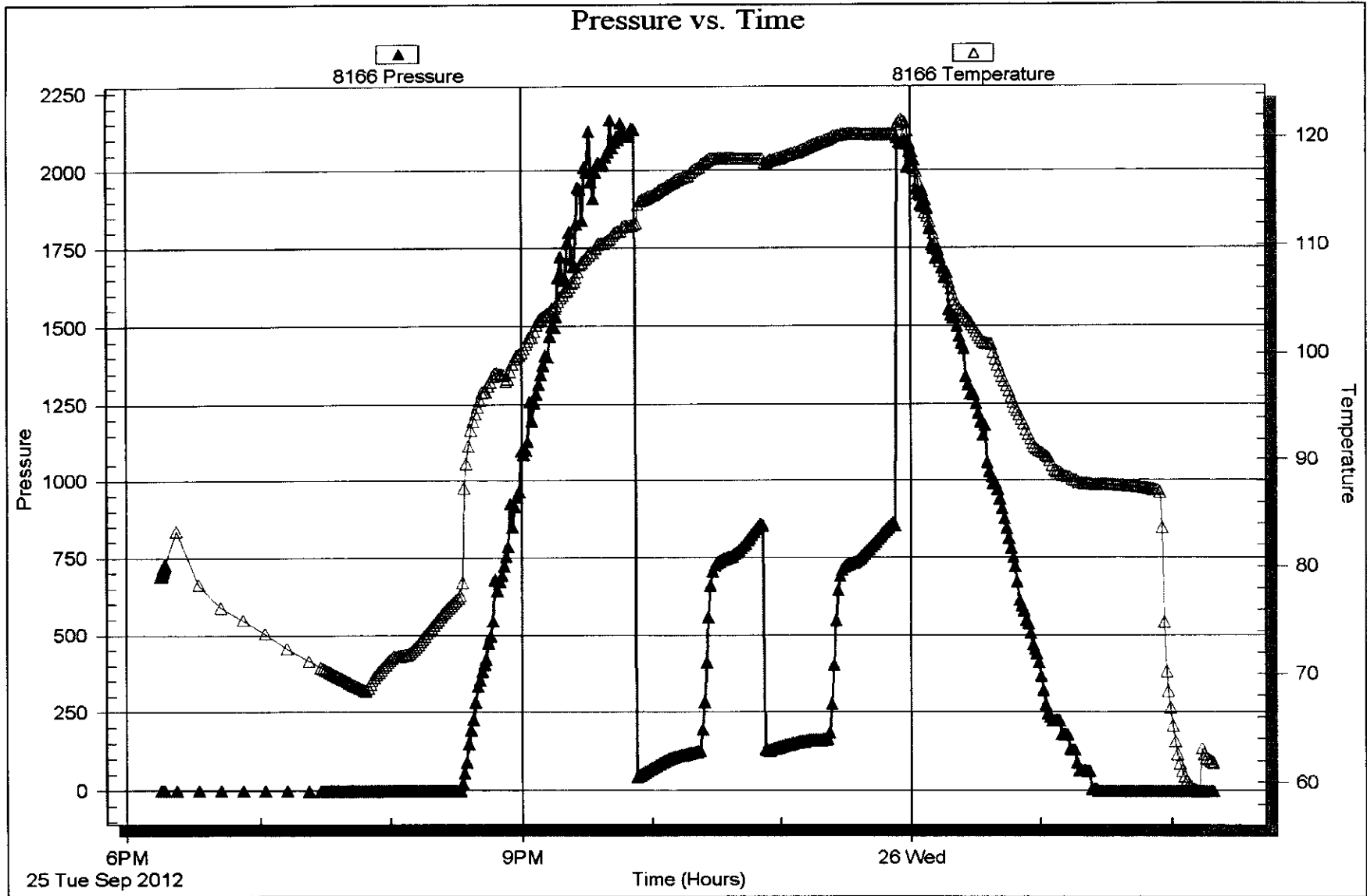
End Date: 2012.09.26 @ 02:19:30

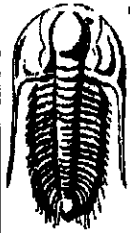
Job Ticket #: 43580 DST #: 1

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

Printed: 2012.10.01 @ 15:07:58







**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

Palomino Petroleum Inc.

15-17s-25w Ness,KS

4924 SE ST
New ton KS 67114

RD #1

Job Ticket: 43581

DST#: 2

ATTN: Jerry Smith

Test Start: 2012.09.26 @ 13:45:00

GENERAL INFORMATION:

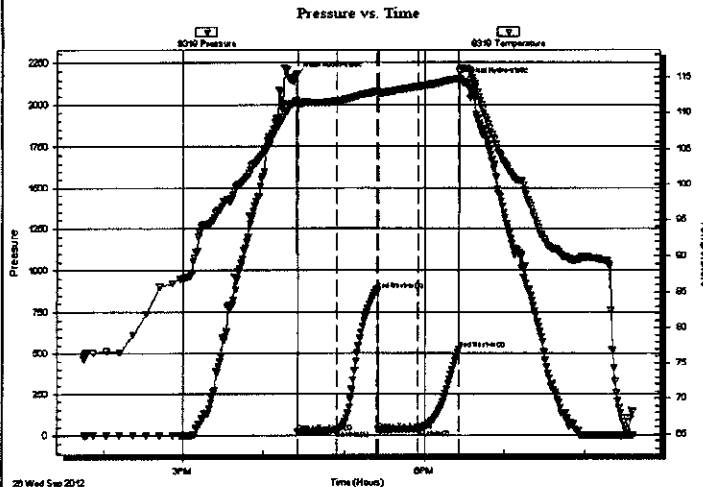
Formation: **Miss**
 Deviated: No Whipstock: ft (KB)
 Time Tool Opened: 16:25:00
 Time Test Ended: 20:36:00
 Test Type: Conventional Bottom Hole (Reset)
 Tester: Brett Dickinson
 Unit No: 59
 Interval: **4369.00 ft (KB) To 4438.00 ft (KB) (TVD)**
 Reference Elevations: 2459.00 ft (KB)
 Total Depth: 4438.00 ft (KB) (TVD)
 2454.00 ft (CF)
 Hole Diameter: 7.88 inches Hole Condition: Fair
 KB to GR/CF: 5.00 ft

Serial #: 8319

Outside

Press@RunDepth: 37.84 psig @ 4370.00 ft (KB) Capacity: 8000.00 psig
 Start Date: 2012.09.26 End Date: 2012.09.26 Last Calib.: 2012.09.26
 Start Time: 13:45:05 End Time: 20:35:59 Time On Btm: 2012.09.26 @ 16:24:00
 Time Off Btm: 2012.09.26 @ 18:29:00

TEST COMMENT: IF-3/4" blow
 IS-No blow
 FF-No blow
 FS-No blow



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2170.13	111.69	Initial Hydro-static
1	22.13	111.30	Open To Flow (1)
31	29.76	111.63	Shut-In(1)
60	884.38	112.96	End Shut-In(1)
61	32.51	112.77	Open To Flow (2)
91	37.84	113.63	Shut-In(2)
122	525.25	114.73	End Shut-In(2)
125	2133.87	116.14	Final Hydro-static

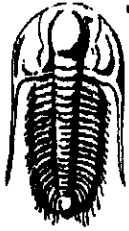
Recovery

Length (ft)	Description	Volume (bbl)
1.00	Free Oil	0.00
29.00	VSOCM 5%O 95%M	0.14

* Recovery from multiple tests

Gas Rates

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



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum Inc.

15-17s-25w Ness,KS

4924 SE ST
New ton KS 67114

RD #1

Job Ticket: 43581

DST#: 2

ATTN: Jerry Smith

Test Start: 2012.09.26 @ 13:45:00

Mud and Cushion Information

Mud Type: Gel Chem

Cushion Type:

Oil API:

deg API

Mud Weight: 10.00 lb/gal

Cushion Length:

ft

Water Salinity:

ppm

Viscosity: 44.00 sec/qt

Cushion Volume:

bbbl

Water Loss: 8.77 in³

Gas Cushion Type:

Resistivity: ohm.m

Gas Cushion Pressure:

psig

Salinity: 3100.00 ppm

Filter Cake: inches

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
1.00	Free Oil	0.005
29.00	VSOCM 5%O 95%M	0.143

Total Length: 30.00 ft

Total Volume: 0.148 bbl

Num Fluid Samples: 0

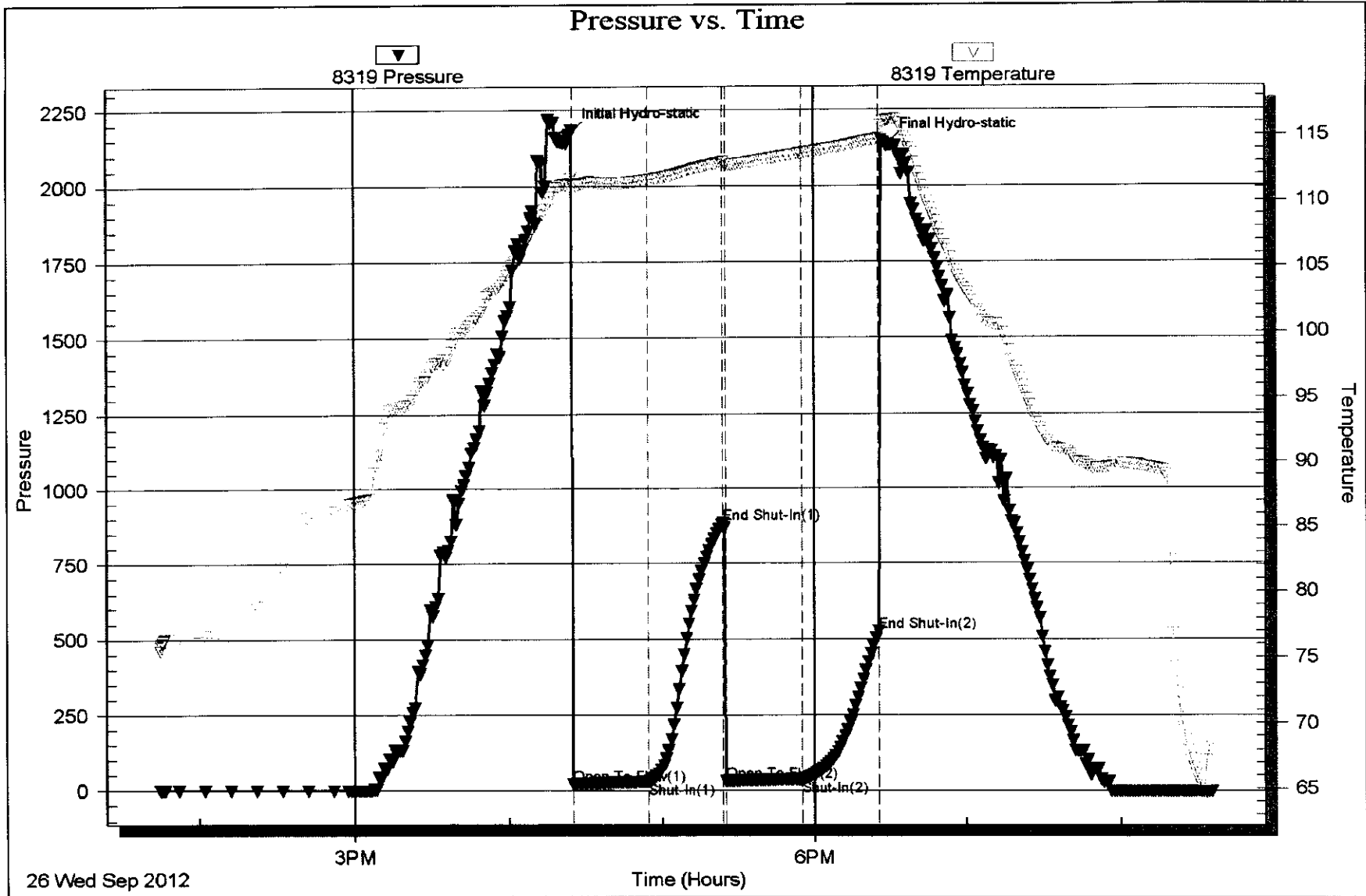
Num Gas Bombs: 0

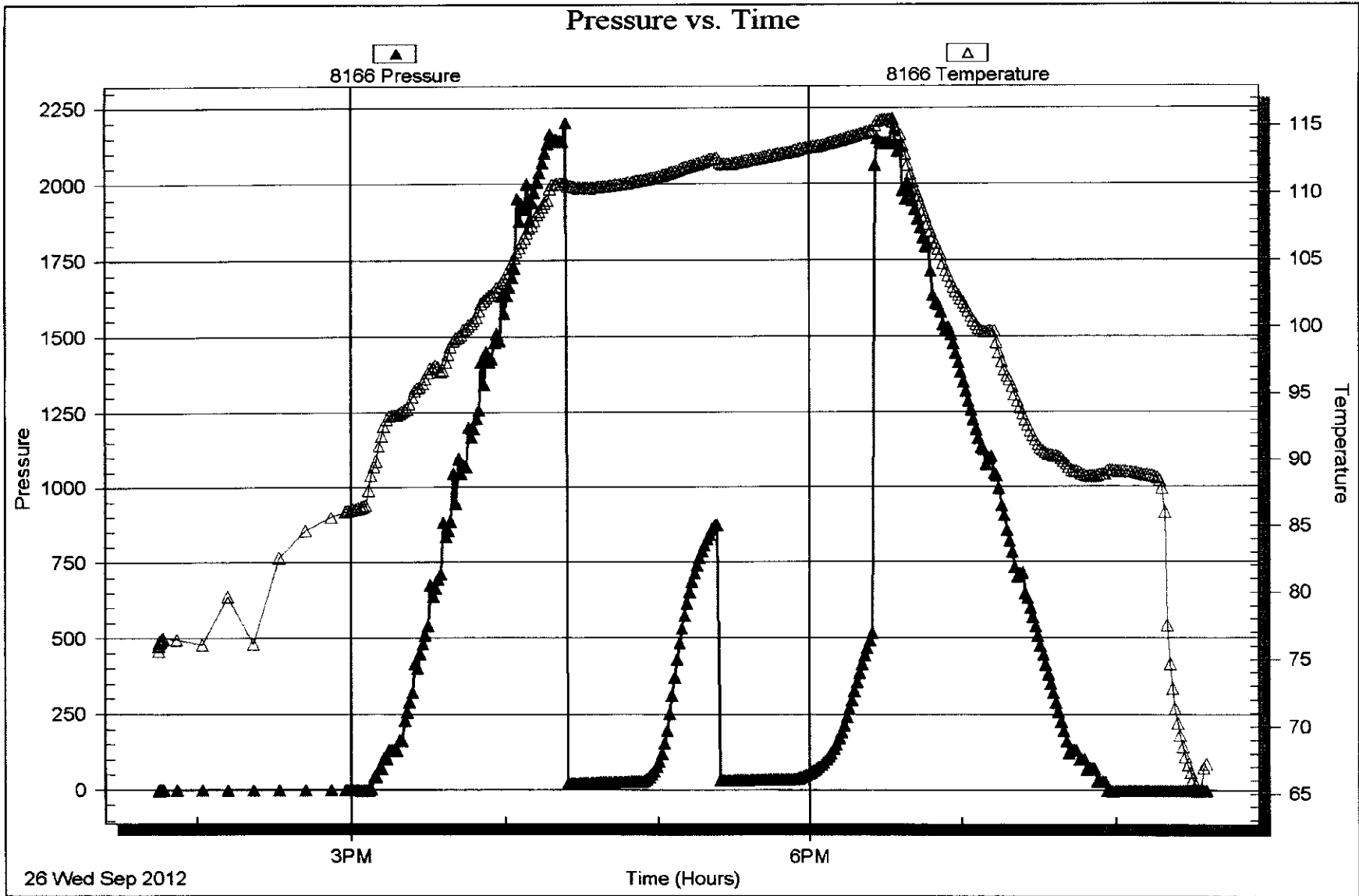
Serial #:

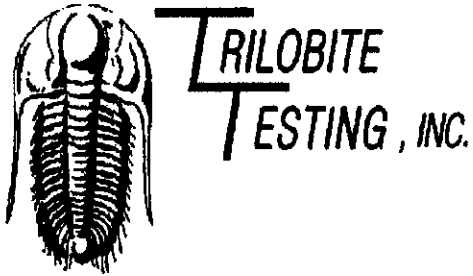
Laboratory Name:

Laboratory Location:

Recovery Comments:







DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum Inc.**

4924 SE ST
Newton KS 67114

ATTN: Jerry Smith

RD #1

15-17s-25w Ness,KS

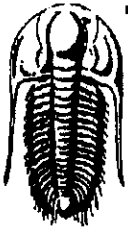
Start Date: 2012.09.27 @ 04:30:00

End Date: 2012.09.27 @ 11:38:00

Job Ticket #: 43582 DST #: 3

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

Printed: 2012.10.01 @ 15:05:37



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

Palomino Petroleum Inc.

4924 SE ST
New ton KS 67114

ATTN: Jerry Smith

15-17s-25w Ness,KS

RD #1

Job Ticket: 43582

DST#: 3

Test Start: 2012.09.27 @ 04:30:00

GENERAL INFORMATION:

Formation: **Mississippi**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 07:10:30

Time Test Ended: 11:38:00

Test Type: Conventional Bottom Hole (Reset)

Tester: Brett Dickinson

Unit No: 59

Interval: **4438.00 ft (KB) To 4460.00 ft (KB) (TVD)**

Total Depth: 4460.00 ft (KB) (TVD)

Hole Diameter: 7.88 inches Hole Condition: Fair

Reference Elevations: 2459.00 ft (KB)

2454.00 ft (CF)

KB to GR/CF: 5.00 ft

Serial #: 8319

Outside

Press@RunDepth: 277.81 psig @ 4439.00 ft (KB)

Capacity: 8000.00 psig

Start Date: 2012.09.27

End Date: 2012.09.27

Last Calib.: 2012.09.27

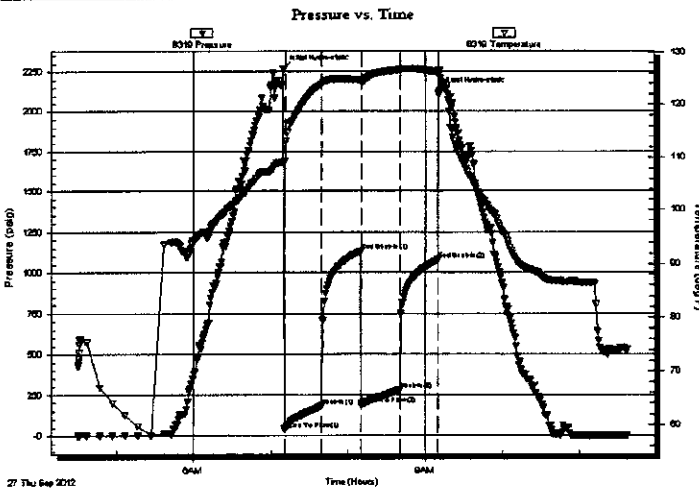
Start Time: 04:30:05

End Time: 11:37:59

Time On Btm: 2012.09.27 @ 07:09:30

Time Off Btm: 2012.09.27 @ 09:11:00

TEST COMMENT: IF-BOB in 7 min
IS-3" blow
FF-BOB in 7 min
FSI-1.5" blow



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2268.76	109.22	Initial Hydro-static
1	39.46	109.40	Open To Flow (1)
30	180.22	123.97	Shut-in (1)
61	1133.24	124.59	End Shut-in (1)
61	189.09	124.14	Open To Flow (2)
91	277.81	126.61	Shut-in (2)
121	1080.71	126.16	End Shut-in (2)
122	2124.97	125.83	Final Hydro-static

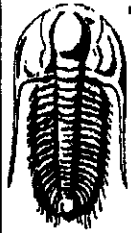
Recovery

Length (ft)	Description	Volume (bbl)
120.00	SGMCO 10%G 60%O 30%M	0.59
310.00	GVSMCO 30%G 65%O 5%M	3.24
250.00	GO 30%G 70%O	3.51
60.00	SGO 10%G 90%O	0.84
0.00	300ft GIP	0.00

* Recovery from multiple tests

Gas Rates

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



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum Inc.

15-17s-25w Ness,KS

4924 SE ST
New ton KS 67114

RD #1

Job Ticket: 43582

DST#: 3

ATTN: Jerry Smith

Test Start: 2012.09.27 @ 04:30:00

Tool Information

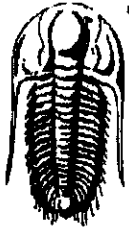
Drill Pipe:	Length: 4182.00 ft	Diameter: 3.80 inches	Volume: 58.66 bbl	Tool Weight: 2500.00 lb
Heavy Wt. Pipe:	Length: ft	Diameter: 2.70 inches	Volume: - bbl	Weight set on Packer: 25000.00 lb
Drill Collar:	Length: 242.00 ft	Diameter: 2.25 inches	Volume: 1.19 bbl	Weight to Pull Loose: 60000.00 lb
			<u>Total Volume: - bbl</u>	Tool Chased 0.00 ft
Drill Pipe Above KB:	14.00 ft			String Weight: Initial 51000.00 lb
Depth to Top Packer:	4438.00 ft			Final 54000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	22.00 ft			
Tool Length:	50.00 ft			
Number of Packers:	2	Diameter: 6.75 inches		

Tool Comments:

Tool Description

Tool Description	Length (ft)	Serial No.	Position	Depth (ft)	Accum. Lengths
Change Over Sub	1.00			4411.00	
Shut In Tool	5.00			4416.00	
Hydraulic tool	5.00			4421.00	
Jars	5.00			4426.00	
Safety Joint	2.00			4428.00	
Packer	5.00			4433.00	28.00 Bottom Of Top Packer
Packer	5.00			4438.00	
Stubb	1.00			4439.00	
Recorder	0.00	8166	Inside	4439.00	
Recorder	0.00	8319	Outside	4439.00	
Change Over Sub	1.00			4440.00	
Perforations	17.00			4457.00	
Bullnose	3.00			4460.00	22.00 Bottom Packers & Anchor

Total Tool Length: 50.00



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum Inc.

15-17s-25w Ness,KS

4924 SE ST
New ton KS 67114

RD #1

Job Ticket: 43582

DST#: 3

ATTN: Jerry Smith

Test Start: 2012.09.27 @ 04:30:00

Mud and Cushion Information

Mud Type: Gel Chem

Cushion Type:

Oil API:

40 deg API

Mud Weight: 10.00 lb/gal

Cushion Length:

ft

Water Salinity:

ppm

Viscosity: 44.00 sec/qt

Cushion Volume:

bbf

Water Loss: 8.75 in³

Gas Cushion Type:

Resistivity: ohm.m

Gas Cushion Pressure:

psig

Salinity: 3100.00 ppm

Filter Cake: inches

Recovery Information

Recovery Table

Length ft	Description	Volume bbf
120.00	SGMCO 10%G 60%O 30%M	0.590
310.00	GVSMCO 30%G 65%O 5%M	3.237
250.00	GO 30%G 70%O	3.507
60.00	SGO 10%G 90%O	0.842
0.00	300ft GIP	0.000

Total Length: 740.00 ft

Total Volume: 8.176 bbf

Num Fluid Samples: 0

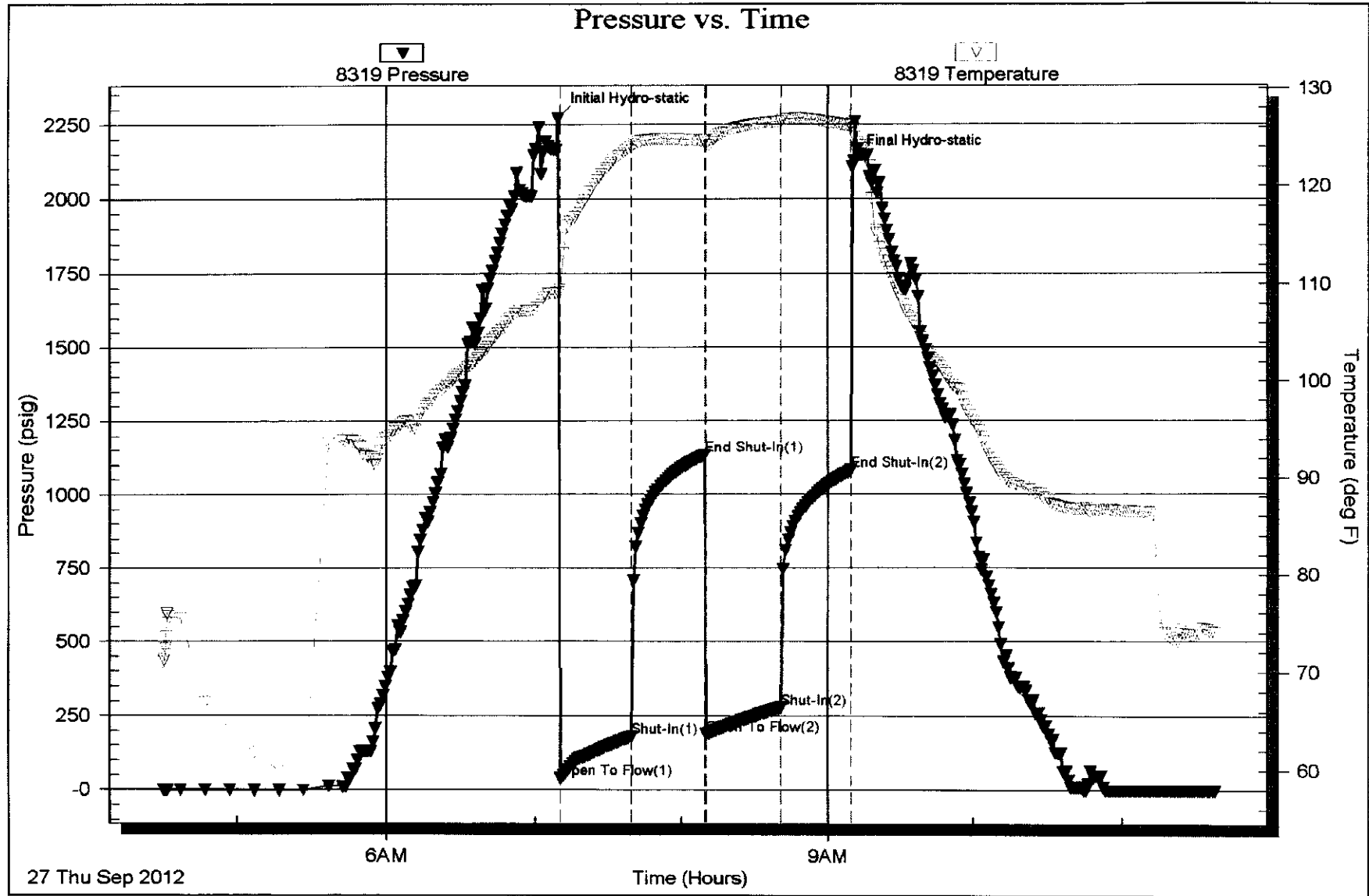
Num Gas Bombs: 0

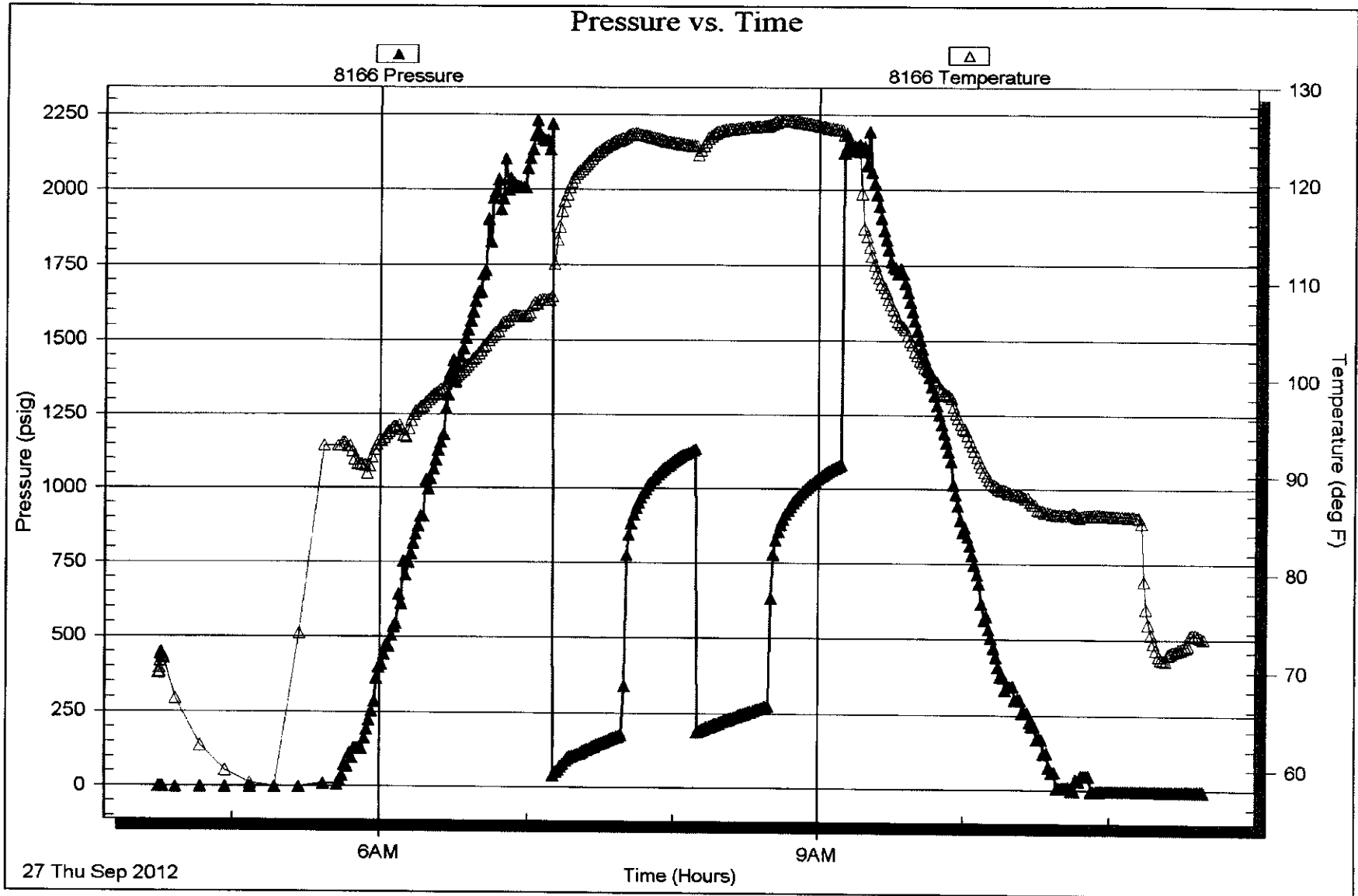
Serial #:

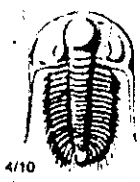
Laboratory Name:

Laboratory Location:

Recovery Comments:







TRILOBITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

Test Ticket

NO. 43580

Well Name & No. #1 Rd Test No. 1 Date 9/25/12
 Company Pilaminas Petroleum, Inc. Elevation 2454 KB 2454 GL
 Address 4924 SE 8th ST Newton KS 67114
 Co. Rep/Geo. Jerry Smith Rig Mallard
 Location: Sec. 15 Twp. 17 Rge. 25w Co. Ness State KS

Interval Tested 4301-4365 Zone Tested Fort Scott
 Anchor Length 64 Drill Pipe Run 4055 Mud Wt. 9.5
 Top Packer Depth 4296 Drill Collars Run 242 Vis 44
 Bottom Packer Depth 4301 Wt. Pipe Run --- WL 8.8
 Total Depth 4365 Chlorides 3100 ppm System LCM
 Blow Description IF - BOB in 3 min
ISI - No blow
FF - BOB in 3 1/2 min
FSI - 4 in blow

Rec	Feet of	%gas	%oil	%water	%mud
<u>90</u>	<u>GMCO</u>	<u>35</u>	<u>35</u>	<u>30</u>	
<u>300</u>	<u>VGMC0</u>	<u>60</u>	<u>30</u>	<u>10</u>	
<u>---</u>	<u>1840 ft GIP</u>				
<u>---</u>					
<u>---</u>					

Rec Total 390 BHT 121 Gravity _____ API RW _____ @ _____ F Chlorides _____ ppm
 (A) Initial Hydrostatic 2,167 Test 1250 T-On Location 17:45
 (B) First Initial Flow 41 Jars 250 T-Started 18:15
 (C) First Final Flow 126 Safety Joint 75 T-Open 21:45
 (D) Initial Shut-In 960 Circ Sub T-Pulled 23:45
 (E) Second Initial Flow 131 Hourly Standby T-Out 2:15
 (F) Second Final Flow 166 Mileage 122.1 189.10 Comments _____
 (G) Final Shut-In 968 Sampler _____
 (H) Final Hydrostatic 2,090 Straddle _____
 Shale Packer _____
 Extra Packer _____
 Extra Recorder _____
 Day Standby _____
 Accessibility _____
 Sub Total 1764.10

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

Ruined Shale Packer
 Ruined Packer
 Extra Copies
 Sub Total 0
 Total 1764.10
 MP/DST Disc't _____

Approved By _____ Our Representative Ben De...

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



TRILOBITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

Test Ticket

NO. 43581

4/10

Well Name & No. Rd #1 Test No. 2 Date 9/20/12
 Company Palomino Petroleum, Inc. Elevation 2459 KB 2454 GL
 Address 4924 SE 84th St Newton KS 67114
 Co. Rep/Geo. Jerry Smith Rig Mallard
 Location: Sec. 15 Twp. 17 Rge. 25w Co. Ness State KS

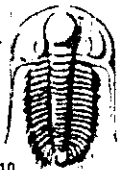
Interval Tested 4369-4438 Zone Tested Miss
 Anchor Length 69 Drill Pipe Run 4115 Mud Wt. 9.5
 Top Packer Depth 4364 Drill Collars Run 242 Vis 44
 Bottom Packer Depth 4369 Wt. Pipe Run — WL 8.8
 Total Depth 4438 Chlorides 3,100 ppm System LCM
 Blow Description IF - 3/4 in blow
FSI - No blow
IF - No blow
FSI - No blow

Rec	Feet of	%gas	%oil	%water	%mud
<u>1</u>	<u>Free O. 1</u>				
<u>29</u>	<u>ESOCM</u>		<u>5</u>		<u>95</u>

Rec Total 30 BHT 115 Gravity API RW @ °F Chlorides ppm
 (A) Initial Hydrostatic 2,170 Test 1250 T-On Location 13:25
 (B) First Initial Flow 22 Jars 250 T-Started 13:45
 (C) First Final Flow 30 Safety Joint 75 T-Open 16:25
 (D) Initial Shut-In 884 Circ Sub T-Pulled 18:25
 (E) Second Initial Flow 33 Hourly Standby T-Out 20:35
 (F) Second Final Flow 38 Mileage 122 RT 189.10 Comments
 (G) Final Shut-In 525 Sampler
 (H) Final Hydrostatic 2,134 Straddle Ruined Shale Packer
 Shale Packer Ruined Packer
 Extra Packer Extra Copies
 Initial Open 30 Extra Recorder Sub Total 0
 Initial Shut-In 30 Day Standby Total 1764.10
 Final Flow 30 Accessibility MP/DST Disc't
 Final Shut-In 30 Sub Total 1764.10

Approved By _____ Our Representative Butt D. ...

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



4/10

TRILOBITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

Test Ticket

NO. 43582

Well Name & No. <u>Rd #1</u>	Test No. <u>3</u>	Date <u>9/27/12</u>
Company <u>Palomina Petroleum, Inc.</u>	Elevation <u>2459</u>	KB <u>2454</u> GL
Address <u>4924 St. 84th St Newton KS 67114</u>		
Co. Rep / Geo. <u>Jerry Smith</u>	Rig <u>Mallard</u>	
Location: Sec. <u>15</u> Twp. <u>17</u> Rge. <u>25n</u> Co. <u>Ness</u> State <u>KS</u>		

Interval Tested <u>4435 - 4460</u>	Zone Tested <u>Miss</u>
Anchor Length <u>22</u>	Drill Pipe Run <u>4182</u> Mud Wt. <u>9.3</u>
Top Packer Depth <u>4433</u>	Drill Collars Run <u>242</u> Vis <u>47</u>
Bottom Packer Depth <u>4435</u>	Wt. Pipe Run <u>—</u> WL <u>80</u>
Total Depth <u>4460</u>	Chlorides <u>2,600</u> ppm System LCM <u>—</u>

Blow Description IF - BOB in 7min
ISI - 3in blow
FF - BOB in 7min
FSI - 1 1/2 in blow

Rec <u>120</u>	Feet of <u>SGMCO</u>	<u>10</u> %gas	<u>60</u> %oil	%water <u>30</u>	%mud
Rec <u>310</u>	Feet of <u>GVSMCO</u>	<u>30</u> %gas	<u>65</u> %oil	%water <u>5</u>	%mud
Rec <u>250</u>	Feet of <u>60</u>	<u>30</u> %gas	<u>70</u> %oil	%water	%mud
Rec <u>60</u>	Feet of <u>SGO</u>	<u>10</u> %gas	<u>90</u> %oil	%water	%mud
Rec _____	Feet of <u>300+9 GSP</u>	%gas	%oil	%water	%mud

Rec Total <u>740</u>	BHT	Gravity <u>40</u>	API RW	@	F Chlorides _____ ppm
(A) Initial Hydrostatic <u>2,269</u>	<input checked="" type="checkbox"/> Test <u>1250</u>	T-On Location <u>4:15</u>			
(B) First Initial Flow <u>39</u>	<input checked="" type="checkbox"/> Jars <u>250</u>	T-Started <u>4:30</u>			
(C) First Final Flow <u>180</u>	<input checked="" type="checkbox"/> Safety Joint <u>75</u>	T-Open <u>7:05</u>			
(D) Initial Shut-In <u>1,193</u>	<input type="checkbox"/> Circ Sub	T-Pulled <u>9:05</u>			
(E) Second Initial Flow <u>189</u>	<input type="checkbox"/> Hourly Standby	T-Out <u>11:40</u>			
(F) Second Final Flow <u>278</u>	<input checked="" type="checkbox"/> Mileage <u>122r7</u> 189.10	Comments _____			
(G) Final Shut-In <u>1,081</u>	<input type="checkbox"/> Sampler _____	<input type="checkbox"/> Ruined Shale Packer _____			
(H) Final Hydrostatic <u>2,125</u>	<input type="checkbox"/> Straddle _____	<input type="checkbox"/> Ruined Packer _____			
Initial Open <u>30</u>	<input type="checkbox"/> Shale Packer _____	<input type="checkbox"/> Extra Copies _____			
Initial Shut-In <u>30</u>	<input type="checkbox"/> Extra Packer _____	Sub Total <u>0</u>			
Final Flow <u>30</u>	<input type="checkbox"/> Extra Recorder _____	Total <u>1764.10</u>			
Final Shut-In <u>30</u>	<input type="checkbox"/> Day Standby _____	MP/DST Disc't _____			
	<input type="checkbox"/> Accessibility _____	Sub Total <u>1764.10</u>			

Approved By [Signature] Our Representative [Signature]

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



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 # 253666

Invoice Date: 10/15/2012 Terms: 10/10/30,n/30

Page 1

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

RD #1
37227
15-17-25
10-12-2012
KS

Part Number	Description	Qty	Unit Price	Total
1104S	CLASS "A" CEMENT (SALE)	75.00	17.6500	1323.75
Sublet Performed	Description			Total
9996-130	CEMENT MATERIAL DISCOUNT			-132.38
9995-130	CEMENT EQUIPMENT DISCOUNT			-223.00
	Description	Hours	Unit Price	Total
463	SQUEEZE PUMP (KICK OFF PLUG PUMP)	1.00	1695.00	1695.00
463	EQUIPMENT MILEAGE (ONE WAY)	25.00	5.00	125.00
693	MIN. BULK DELIVERY	1.00	410.00	410.00

Amount Due 3637.15 if paid after 11/14/2012

Parts:	1323.75	Freight:	.00	Tax:	75.06	AR	3273.43
Labor:	.00	Misc:	.00	Total:	3273.43		
Sublt:	-355.38	Supplies:	.00	Change:	.00		

Signed _____

Date _____

BARTLESVILLE, OK
620/220-0989

EL DORADO, KS
316/322-7022

EUREKA, KS
620/583-7664

PONCA CITY, OK
580/782-2303

OAKLEY, KS
785/672-2227

OTTAWA, KS
785/242-1044

THAYER, KS
620/839-5260

GILLETTE, WY
307/688-1014



PO Box 93999
Southlake, TX 76092

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

INVOICE

Invoice Number: 132814
Invoice Date: Sep 19, 2012
Page: 1

RECEIVED
SEP 19 2012



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

Should be RD lease

Customer ID	Well Name/# or Customer P.O.	Payment Terms	
Palo	Patricia Ann #1-1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Great Bend	Sep 19, 2012	10/19/12

Quantity	Item	Description	Unit Price	Amount
150.00	MAT	Class A Common	17.90	2,685.00
3.00	MAT	Gel	23.40	70.20
5.00	MAT	Chloride	64.00	320.00
162.09	SER	Cubic Feet	2.48	401.98
155.40	SER	Ton Mileage	2.60	404.04
1.00	SER	Surface	1,512.25	1,512.25
21.00	SER	Pump Truck Mileage	7.70	161.70
21.00	SER	Light Vehicle Mileage	4.40	92.40
1.00	CEMENTER	Wayne Davis		
1.00	EQUIP OPER	Trint Hall		
1.00	OPER ASSIST	Alan Genereux		

cement for surface pipe 9/19

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

\$1411.89

ONLY IF PAID ON OR BEFORE
Oct 14, 2012

Subtotal	5,647.57
Sales Tax	193.74
Total Invoice Amount	5,841.31
Payment/Credit Applied	
TOTAL	5,841.31

-1,411.89
4,429.42

ALLIED OIL & GAS SERVICES, LLC 053737

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67663

SERVICE POINT:
Great Bend

DATE <u>9-19-12</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START <u>9:00 PM</u>	JOB FINISH <u>9:30 PM</u>
LEASE <u>Patricia Brown</u>	WELL # <u>1-1</u>	LOCATION <u>Arnold US 3 W 4 S</u>		COUNTY <u>Ness</u>	STATE <u>KS</u>		
O.I.D OR (NEW) (Circle one)			<u>1 E South 1-10</u>				

CONTRACTOR Mallard
TYPE OF JOB Subs
HOLE SIZE 12 1/4 T.D. 218
CASING SIZE 8 1/2 DEPTH 218
TUBING SIZE DEPTH
DRILL PIPE DEPTH
TOOL DEPTH
PRES. MAX MINIMUM
MEAS. LINE SHOE JOINT
CEMENT LEFT IN CSG. 15
PERFS.
DISPLACEMENT 13 ABLS
EQUIPMENT

OWNER Palomina
CEMENT
AMOUNT ORDERED 150 SX CLASS A + 3% GEL + 2% GEL

COMMON	<u>150</u>	@ <u>17.90</u>	<u>2,685.00</u>
POZ MIX		@	
GEL	<u>3</u>	@ <u>23.40</u>	<u>70.20</u>
CHLORIDE	<u>5</u>	@ <u>64.00</u>	<u>320.00</u>
ASC		@	
HANDLING	<u>162.09</u>	@ <u>2.58</u>	<u>401.98</u>
MILEAGE	<u>7.4 x 21x</u>	@ <u>2.60</u>	<u>404.40</u>
<u>165.40</u>			TOTAL <u>3,881.32</u>

PUMP TRUCK CEMENTER Wayne Davis
366 HELPER Trent Hall
BULK TRUCK
341 DRIVER Alan Bennett
BULK TRUCK
DRIVER

REMARKS:
Pipe on Bottom B-004
Circulation with Ris Mud
Run 3 BBLs water ahead
Mix 150 SX CLASS A + 3% GEL
Displace 13 BBLs
Cement did circulate
shut in

SERVICE
DEPTH OF JOB 218
PUMP TRUCK CHARGE 1512.35
EXTRA FOOTAGE @
MILEAGE Hum 21 @ 7.70 161.70
MANIFOLD Hum 21 @ 4.40 92.40

CHARGE TO: Palomina
STREET _____
CITY _____ STATE _____ ZIP _____

TOTAL 1766.35

PLUG & FLOAT EQUIPMENT

	@	
	@	
	@	
	@	
	@	

TOTAL _____

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

SALES TAX (If Any) 195.73
TOTAL CHARGES 5,647.32
DISCOUNT 1,411.82 IF PAID IN 30 DAYS
4,235.62

PRINTED NAME Justin McDonald
SIGNATURE 