



DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum, Inc.**

4924 SE 84th st
Newton, KS 67114

ATTN: Ryan Seib

Hagans #2

15-16s-26w Ness,KS

Start Date: 2012.10.01 @ 04:33:00

End Date: 2012.10.01 @ 10:42:15

Job Ticket #: 50150 DST #: 1

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

Printed: 2012.10.03 @ 13:53:39

Palomino Petroleum, Inc.
15-16s-26w Ness,KS
Hagans #2
DST # 1
Miss
2012.10.01



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

Palomino Petroleum, Inc.

15-16s-26w Ness, KS

4924 SE 84th st
New ton, KS 67114

Hagans #2

Job Ticket: 50150

DST#: 1

ATTN: Ryan Seib

Test Start: 2012.10.01 @ 04:33:00

GENERAL INFORMATION:

Formation: **Miss**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 06:36:15

Time Test Ended: 10:42:15

Test Type: Conventional Bottom Hole (Initial)

Tester: Sam Esparza

Unit No: 64

Interval: 4441.00 ft (KB) To 4514.00 ft (KB) (TVD)

Reference Elevations: 2585.00 ft (KB)

Total Depth: 4514.00 ft (KB) (TVD)

2574.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Good

KB to GR/CF: 11.00 ft

Serial #: 6772 Outside

Press @ Run Depth: 54.73 psig @ 4442.00 ft (KB)

Capacity: 8000.00 psig

Start Date: 2012.10.01

End Date:

2012.10.01

Last Calib.: 2012.10.01

Start Time: 04:33:05

End Time:

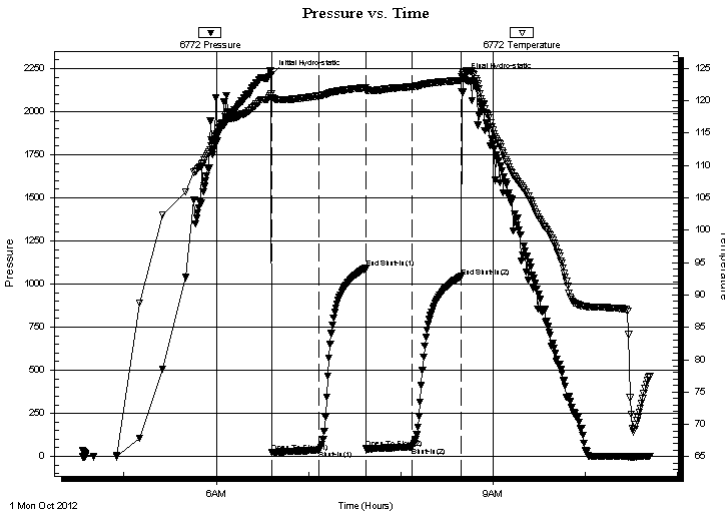
10:42:14

Time On Btm: 2012.10.01 @ 06:36:00

Time Off Btm: 2012.10.01 @ 08:40:45

TEST COMMENT: IF: 3" blow .
IS: No return.
FF: 3" blow .
FS: No return.

PRESSURE SUMMARY



Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2214.25	121.02	Initial Hydro-static
1	23.89	120.42	Open To Flow (1)
31	36.50	120.75	Shut-In(1)
61	1091.44	122.00	End Shut-In(1)
62	46.71	121.61	Open To Flow (2)
92	54.73	122.16	Shut-In(2)
124	1044.00	123.14	End Shut-In(2)
125	2199.13	124.27	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
60.00	GOCM 10g 35o 55m	0.84
30.00	GOCM 10g 20o 70m	0.42

Gas Rates

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



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum, Inc.

15-16s-26w Ness, KS

4924 SE 84th st
New ton, KS 67114

Hagans #2

Job Ticket: 50150

DST#: 1

ATTN: Ryan Seib

Test Start: 2012.10.01 @ 04:33:00

Tool Information

Drill Pipe:	Length: 4422.00 ft	Diameter: 3.80 inches	Volume: 62.03 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: 0.00 ft	Diameter: 0.00 inches	Volume: 0.00 bbl	Weight to Pull Loose: 85000.00 lb
			<u>Total Volume: 62.03 bbl</u>	Tool Chased 0.00 ft
Drill Pipe Above KB:	10.00 ft			String Weight: Initial 70000.00 lb
Depth to Top Packer:	4441.00 ft			Final 70000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	73.00 ft			
Tool Length:	102.00 ft			
Number of Packers:	2	Diameter: 6.75 inches		

Tool Comments:

Tool Description	Length (ft)	Serial No.	Position	Depth (ft)	Accum. Lengths
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Change Over Sub	1.00			4413.00	
Shut In Tool	5.00			4418.00	
Hydraulic tool	5.00			4423.00	
Jars	5.00			4428.00	
Safety Joint	3.00			4431.00	
Packer	5.00			4436.00	29.00 Bottom Of Top Packer
Packer	5.00			4441.00	
Stubb	1.00			4442.00	
Recorder	0.00	6669	Outside	4442.00	
Recorder	0.00	6772	Outside	4442.00	
Perforations	3.00			4445.00	
Change Over Sub	1.00			4446.00	
Drill Pipe	63.00			4509.00	
Change Over Sub	1.00			4510.00	
Bullnose	4.00			4514.00	73.00 Bottom Packers & Anchor

Total Tool Length: 102.00



**TRILOBITE
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DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum, Inc.

15-16s-26w Ness, KS

4924 SE 84th st
New ton, KS 67114

Hagans #2

Job Ticket: 50150

DST#: 1

ATTN: Ryan Seib

Test Start: 2012.10.01 @ 04:33:00

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: 41.00 sec/qt

Cushion Volume:

bbbl

Water Loss: 7.99 in³

Gas Cushion Type:

Resistivity: 0.00 ohm.m

Gas Cushion Pressure:

psig

Salinity: 2500.00 ppm

Filter Cake: 1.00 inches

Recovery Information

Recovery Table

Length ft	Description	Volume bbbl
60.00	GOCM 10g 35o 55m	0.842
30.00	GOCM 10g 20o 70m	0.421

Total Length: 90.00 ft Total Volume: 1.263 bbl

Num Fluid Samples: 0

Num Gas Bombs: 0

Serial #:

Laboratory Name:

Laboratory Location:

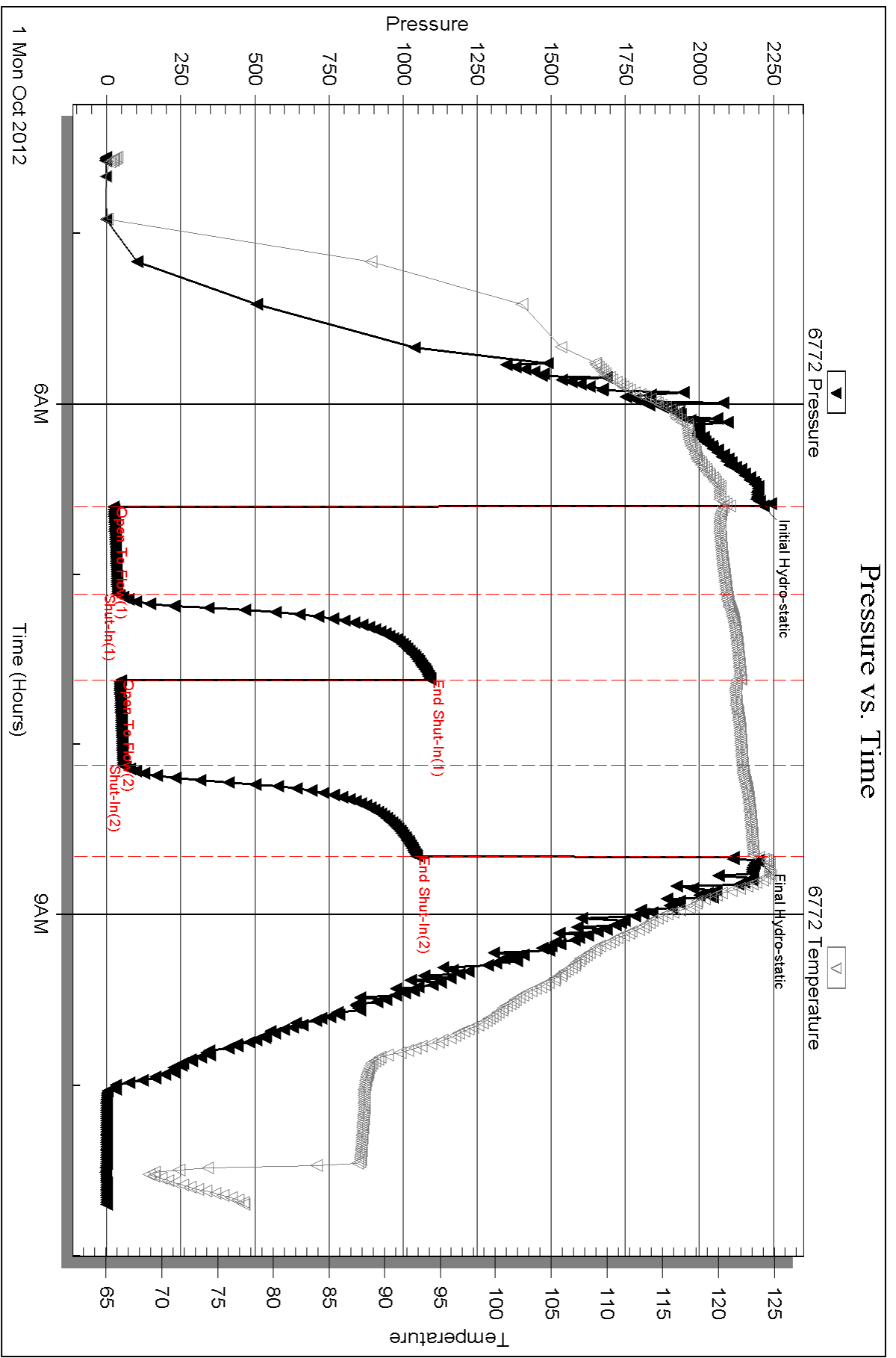
Recovery Comments:

Serial #: 6772

Outside Palomino Petroleum, Inc.

Hagans #2

DST Test Number: 1



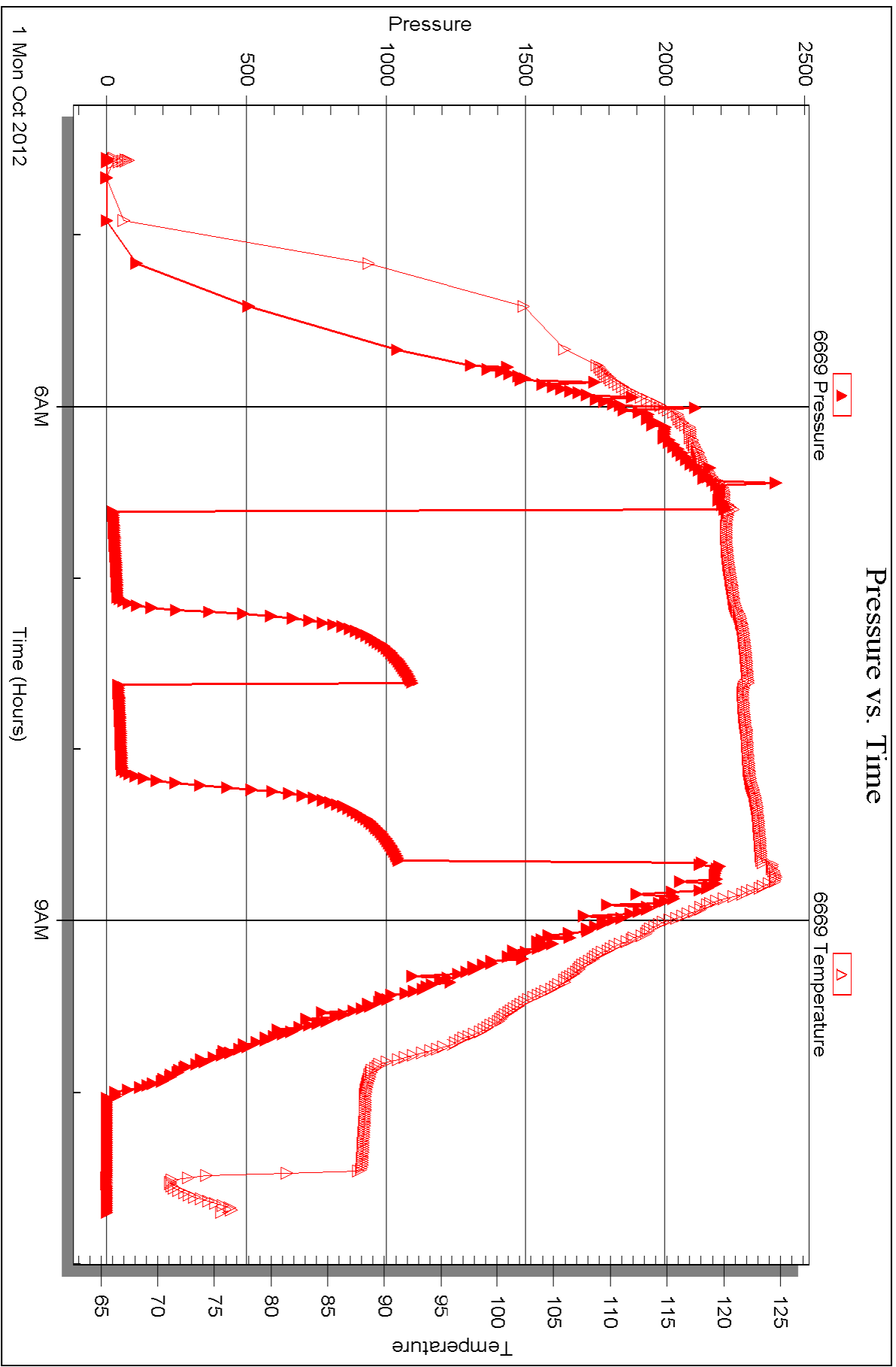
Serial #: 6669

Outside

Palomino Petroleum, Inc.

Hagans #2

DST Test Number: 1





DRILL STEM TEST REPORT

Prepared For: **Palomino Petroleum, Inc.**

4924 SE 84th st
Newton, KS 67114

ATTN: Ryan Seib

Hagans #2

15-16s-26w Ness,KS

Start Date: 2012.10.01 @ 17:42:00

End Date: 2012.10.02 @ 02:41:30

Job Ticket #: 49801 DST #: 2

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

Printed: 2012.10.03 @ 13:52:50



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

Palomino Petroleum, Inc.

15-16s-26w Ness, KS

4924 SE 84th st
New ton, KS 67114

Hagans #2

Job Ticket: 49801

DST#: 2

ATTN: Ryan Seib

Test Start: 2012.10.01 @ 17:42:00

GENERAL INFORMATION:

Formation: **Miss**

Deviated: No Whipstock: ft (KB)

Time Tool Opened: 21:09:30

Time Test Ended: 02:41:30

Test Type: Conventional Bottom Hole (Reset)

Tester: Sam Esparza

Unit No: 64

Interval: 4511.00 ft (KB) To 4523.00 ft (KB) (TVD)

Reference Elevations: 2585.00 ft (KB)

Total Depth: 4523.00 ft (KB) (TVD)

2574.00 ft (CF)

Hole Diameter: 7.88 inches Hole Condition: Good

KB to GR/CF: 11.00 ft

Serial #: 6772 Outside

Press @ Run Depth: 34.18 psig @ 4512.00 ft (KB)

Capacity: 8000.00 psig

Start Date: 2012.10.01

End Date: 2012.10.02

Last Calib.: 2012.10.02

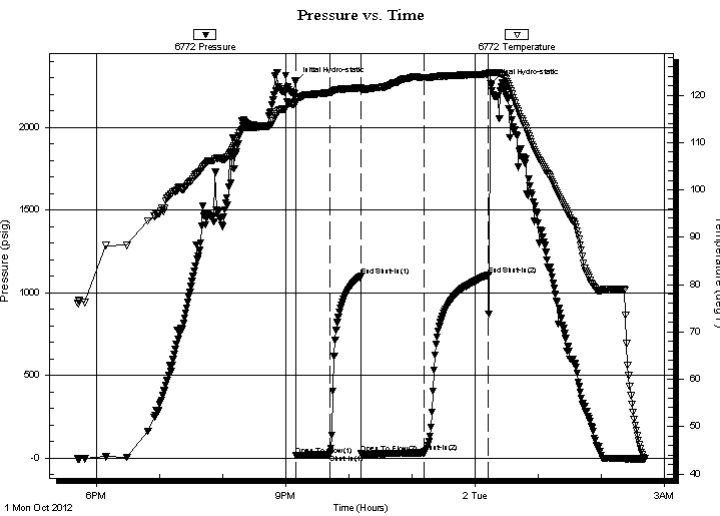
Start Time: 17:42:05

End Time: 02:41:30

Time On Btm: 2012.10.01 @ 21:09:15

Time Off Btm: 2012.10.02 @ 00:14:30

TEST COMMENT: IF: 1 3/4" blow .
IS: No return.
FF: 3" blow .
FS: No return.



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2277.26	119.14	Initial Hydro-static
1	18.18	118.28	Open To Flow (1)
32	22.29	120.51	Shut-In(1)
62	1100.36	121.54	End Shut-In(1)
63	27.58	121.11	Open To Flow (2)
123	34.18	123.68	Shut-In(2)
183	1106.79	124.43	End Shut-In(2)
186	2263.37	124.73	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
10.00	GOCM 10g 20o 70m	0.14
20.00	GO 15g 85o	0.28

* Recovery from multiple tests

Gas Rates

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



**TRILOBITE
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DRILL STEM TEST REPORT

TOOL DIAGRAM

Palomino Petroleum, Inc.

15-16s-26w Ness, KS

4924 SE 84th st
New ton, KS 67114

Hagans #2

Job Ticket: 49801

DST#: 2

ATTN: Ryan Seib

Test Start: 2012.10.01 @ 17:42:00

Tool Information

Drill Pipe:	Length: 4512.00 ft	Diameter: 3.80 inches	Volume: 63.29 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: 0.00 ft	Diameter: 0.00 inches	Volume: 0.00 bbl	Weight to Pull Loose: 85000.00 lb
			<u>Total Volume: 63.29 bbl</u>	Tool Chased 0.00 ft
Drill Pipe Above KB:	30.00 ft			String Weight: Initial 71000.00 lb
Depth to Top Packer:	4511.00 ft			Final 71000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	12.00 ft			
Tool Length:	41.00 ft			
Number of Packers:	2	Diameter: 6.75 inches		

Tool Comments:

Tool Description

Length (ft) Serial No. Position Depth (ft) Accum. Lengths

Tool Description	Length (ft)	Serial No.	Position	Depth (ft)	Accum. Lengths
Change Over Sub	1.00			4483.00	
Shut In Tool	5.00			4488.00	
Hydraulic tool	5.00			4493.00	
Jars	5.00			4498.00	
Safety Joint	3.00			4501.00	
Packer	5.00			4506.00	29.00 Bottom Of Top Packer
Packer	5.00			4511.00	
Stubb	1.00			4512.00	
Recorder	0.00	6669	Outside	4512.00	
Recorder	0.00	6772	Outside	4512.00	
Perforations	7.00			4519.00	
Bullnose	4.00			4523.00	12.00 Bottom Packers & Anchor

Total Tool Length: 41.00



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DRILL STEM TEST REPORT

FLUID SUMMARY

Palomino Petroleum, Inc.

15-16s-26w Ness, KS

4924 SE 84th st
New ton, KS 67114

Hagans #2

Job Ticket: 49801

DST#: 2

ATTN: Ryan Seib

Test Start: 2012.10.01 @ 17:42:00

Mud and Cushion Information

Mud Type: Gel Chem

Cushion Type:

Oil API:

37 deg API

Mud Weight: 9.00 lb/gal

Cushion Length:

ft

Water Salinity:

ppm

Viscosity: 54.00 sec/qt

Cushion Volume:

bbbl

Water Loss: 7.19 in³

Gas Cushion Type:

Resistivity: 0.00 ohm.m

Gas Cushion Pressure:

psig

Salinity: 2600.00 ppm

Filter Cake: 1.00 inches

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
10.00	GOCM 10g 20o 70m	0.140
20.00	GO 15g 85o	0.281

Total Length: 30.00 ft Total Volume: 0.421 bbl

Num Fluid Samples: 0

Num Gas Bombs: 0

Serial #:

Laboratory Name:

Laboratory Location:

Recovery Comments: Oil API: 36 @ 50 degrees= 37

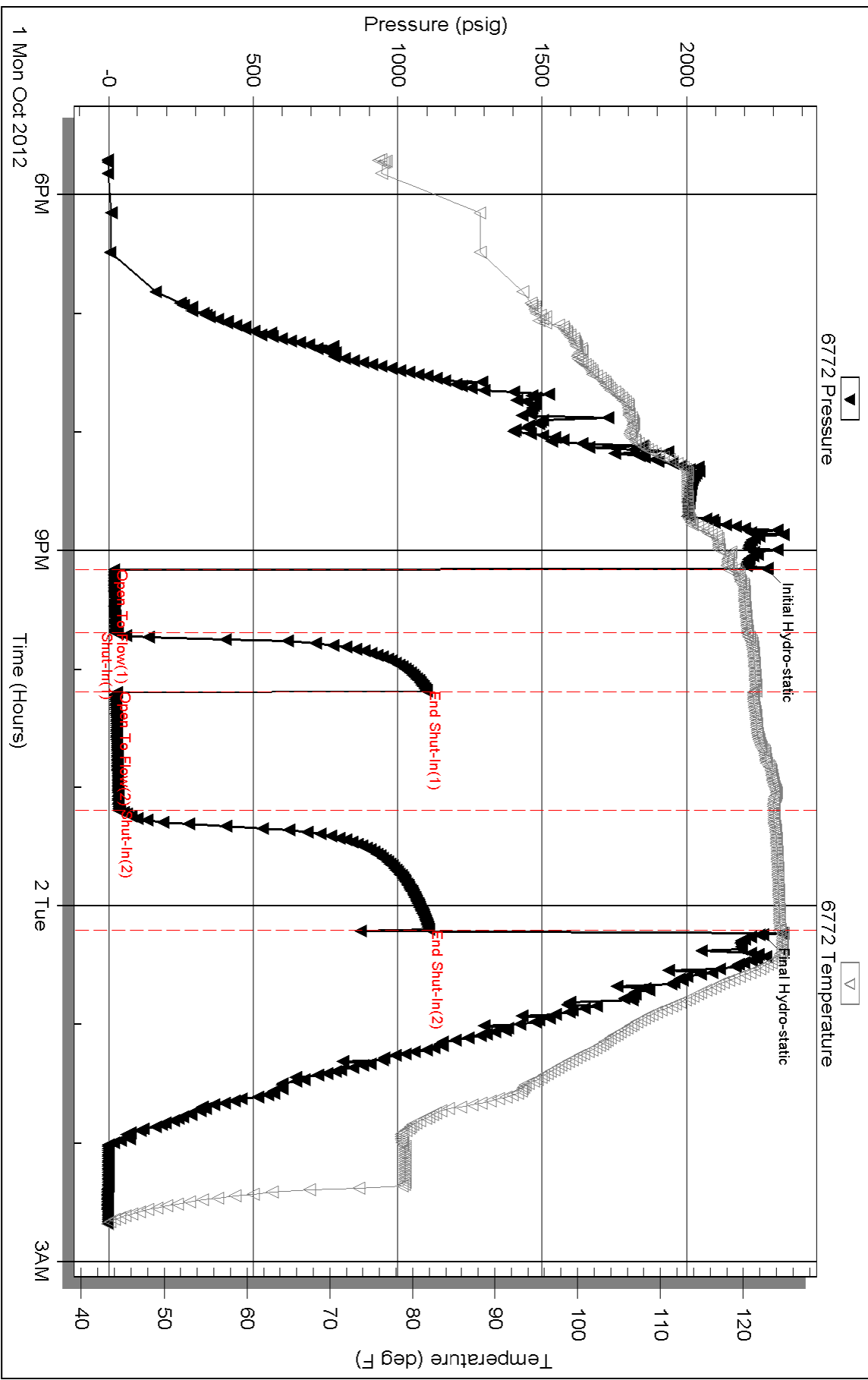
Serial #: 6772

Outside Palomino Petroleum, Inc.

Hagans #2

DST Test Number: 2

Pressure vs. Time

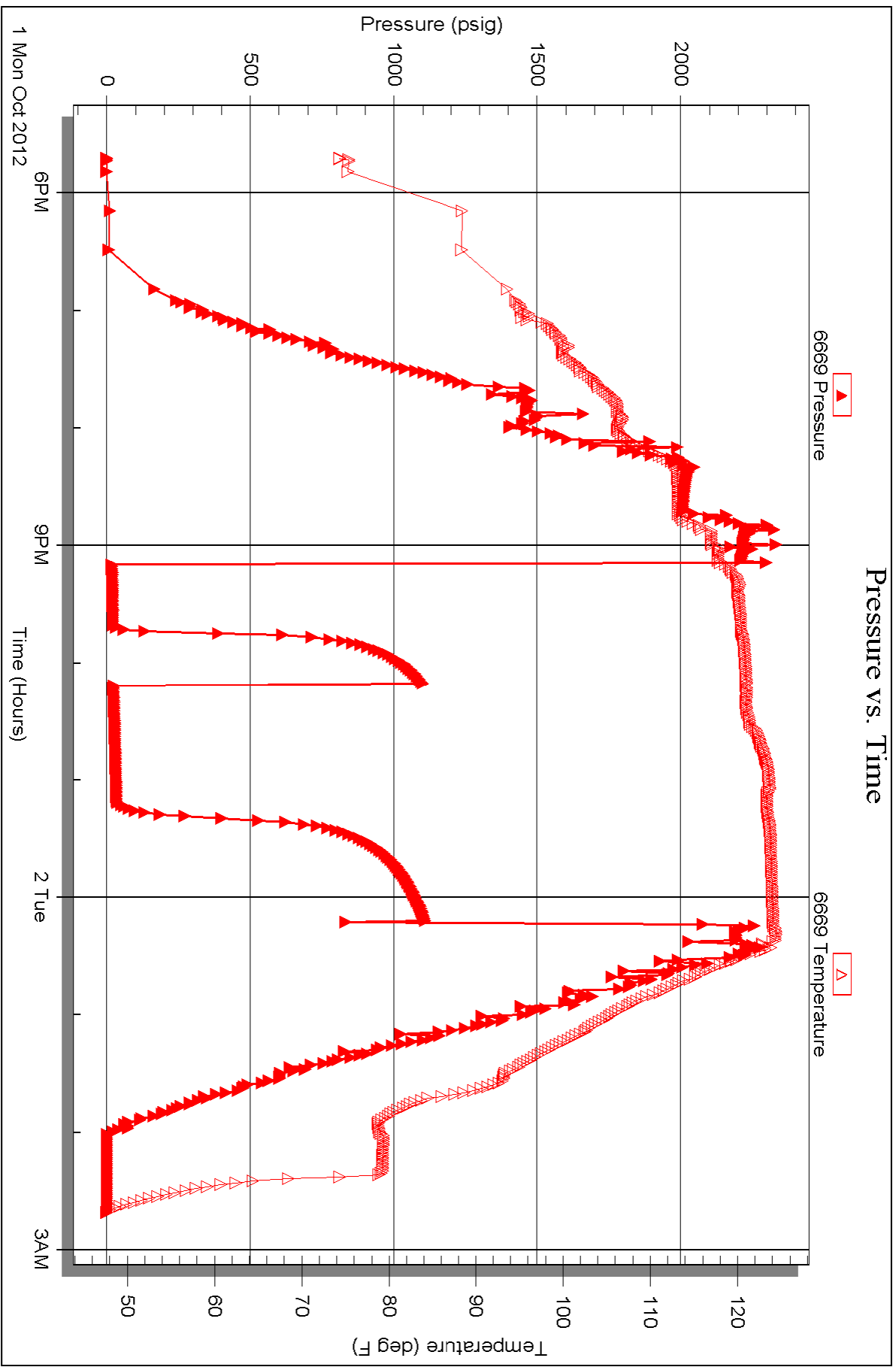


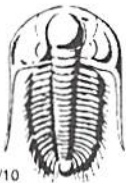
Serial #: 6669

Outside Palomino Petroleum, Inc.

Hagens #2

DST Test Number: 2





TRILOBITE TESTING INC.

1515 Commerce Parkway • Hays, Kansas 67601

Test Ticket

NO. 50150

4/10

Well Name & No. Hagens #2 Test No. 1 Date 10/1/12
 Company Palamino Petroleum, Inc Elevation 2585 KB 2574 GL
 Address 4924 SE 84th St Newton, KS 67114
 Co. Rep / Geo. Ryan Seib Rig Val # 2
 Location: Sec. 15 Twp. 16S Rge. 26W Co. Ness State KS

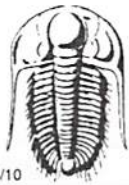
Interval Tested 4411 - 4514 Zone Tested Miss
 Anchor Length 73' Drill Pipe Run 4422 Mud Wt. 9.5
 Top Packer Depth 4437 Drill Collars Run Ø Vis 41
 Bottom Packer Depth 4441 Wt. Pipe Run Ø WL 8.0
 Total Depth 4514 Chlorides 2500 ppm System LCM 2
 Blow Description 3" blow.
No return.
3" blow
No return

Rec	Feet of	%gas	%oil	%water	%mud
<u>30</u>	<u>60CM</u>	<u>10</u>	<u>35</u>	<u>55</u>	<u>55</u>
<u>60</u>	<u>60CM</u>	<u>10</u>	<u>20</u>	<u>70</u>	<u>70</u>
Rec	Feet of	%gas	%oil	%water	%mud
Rec	Feet of	%gas	%oil	%water	%mud
Rec	Feet of	%gas	%oil	%water	%mud

Rec Total 90' BHT 123 Gravity — API RW — @ — °F Chlorides — ppm

(A) Initial Hydrostatic <u>2214</u>	<input checked="" type="checkbox"/> Test <u>1250</u>	T-On Location <u>2:30</u>
(B) First Initial Flow <u>24</u>	<input checked="" type="checkbox"/> Jars <u>250</u>	T-Started <u>4:33</u>
(C) First Final Flow <u>37</u>	<input checked="" type="checkbox"/> Safety Joint <u>75</u>	T-Open <u>6:37</u>
(D) Initial Shut-In <u>1091</u>	<input checked="" type="checkbox"/> Circ Sub <u>N/C</u>	T-Pulled <u>8:38</u>
(E) Second Initial Flow <u>47</u>	<input type="checkbox"/> Hourly Standby	T-Out <u>10:42</u>
(F) Second Final Flow <u>55</u>	<input checked="" type="checkbox"/> Mileage <u>108 R/T</u> 167.40	Comments <u>Stuck in Mud Wait on cat.</u>
(G) Final Shut-In <u>1044</u>	<input type="checkbox"/> Sampler	
(H) Final Hydrostatic <u>2199</u>	<input type="checkbox"/> Straddle	<input type="checkbox"/> Ruined Shale Packer
	<input type="checkbox"/> Shale Packer	<input type="checkbox"/> Ruined Packer
Initial Open <u>30</u>	<input type="checkbox"/> Extra Packer	<input type="checkbox"/> Extra Copies
Initial Shut-In <u>30</u>	<input type="checkbox"/> Extra Recorder	Sub Total <u>0</u>
Final Flow <u>30</u>	<input type="checkbox"/> Day Standby	Total <u>1742.40</u>
Final Shut-In <u>30</u>	<input checked="" type="checkbox"/> Accessibility <u>No steps on V-Door</u>	MP/DST Disc't
	Sub Total <u>1742.40</u>	

Approved By _____ 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 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.

1515 Commerce Parkway • Hays, Kansas 67601

Test Ticket

NO. 49801

Well Name & No. Hayas #2 Test No. 2 Date 10/1/12
 Company Palomino Petroleum, Inc. Elevation 2585 KB 2574 GL
 Address 4924 SE 84th St Newton, KS 67114
 Co. Rep / Geo. Ryan Seib Rig Val #2
 Location: Sec. 15 Twp. 16S Rge. 26W Co. Ness State KS

Interval Tested 4511-4523 Zone Tested Miss
 Anchor Length 12' Drill Pipe Run 4512 Mud Wt. 9.4
 Top Packer Depth 4507 Drill Collars Run Ø Vis 54
 Bottom Packer Depth 4511 Wt. Pipe Run Ø WL 7.2
 Total Depth 4523 Chlorides 2600 ppm System LCM 2
 Blow Description 1 3/4" blow.
No return.
3" blow.
No return.

Rec	Feet of	%gas	%oil	%water	%mud
<u>20'</u>	<u>GO</u>	<u>15</u>	<u>85</u>		
<u>10'</u>	<u>Goam</u>	<u>10</u>	<u>20</u>		<u>70</u>
Rec	Feet of	%gas	%oil	%water	%mud
Rec	Feet of	%gas	%oil	%water	%mud
Rec	Feet of	%gas	%oil	%water	%mud

Rec Total 30' BHT 124 Gravity 37 API RW - @ - °F Chlorides - ppm

(A) Initial Hydrostatic <u>2277</u>	<input checked="" type="checkbox"/> Test 1250	T-On Location <u>17:10</u>
(B) First Initial Flow <u>18</u>	<input checked="" type="checkbox"/> Jars 250	T-Started <u>17:42</u>
(C) First Final Flow <u>22</u>	<input checked="" type="checkbox"/> Safety Joint 75	T-Open <u>21:10</u>
(D) Initial Shut-In <u>1100</u>	<input checked="" type="checkbox"/> Circ Sub <u>N/C</u>	T-Pulled <u>00:12</u>
(E) Second Initial Flow <u>28</u>	<input type="checkbox"/> Hourly Standby	T-Out <u>2:42</u>
(F) Second Final Flow <u>34</u>	<input checked="" type="checkbox"/> Mileage <u>108 R/T X 2</u> ^{334.80}	Comments <u>Loaded tools @</u>
(G) Final Shut-In <u>1107</u>	<input type="checkbox"/> Sampler	<u>7:30 10/3/12</u>
(H) Final Hydrostatic <u>2263</u>	<input type="checkbox"/> Straddle	<input type="checkbox"/> Ruined Shale Packer
Initial Open <u>30</u>	<input type="checkbox"/> Shale Packer	<input type="checkbox"/> Ruined Packer
Initial Shut-In <u>30</u>	<input type="checkbox"/> Extra Packer	<input type="checkbox"/> Extra Copies
Final Flow <u>60</u>	<input type="checkbox"/> Extra Recorder	Sub Total <u>800</u>
Final Shut-In <u>60</u>	<input type="checkbox"/> Day Standby <u>1d 4.75hrs</u>	Total <u>2709.80</u>
	<input checked="" type="checkbox"/> Accessibility	MP/DST Disc't
	Sub Total <u>1909.80</u>	

Approved By _____ 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 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.